



AUSTRALIAN CUSTOMS NOTICE NO. 2009/09

Customs Requirements for Cargo Outturn Reporting by Air Cargo Terminal Operators (CTOs) and Air and Sea Depot Operators

The purpose of this Australian Customs Notice (ACN) is to explain the obligations of air CTOs and air and sea depot operators to communicate an outturn report in respect of cargo.

When is an outturn report required to be communicated?

The obligation to communicate an outturn report is set out in section 64ABAA of the *Customs Act 1901* (Customs Act).

An outturn report is required to be lodged to Customs by a CTO operator when cargo is unloaded from an aircraft. Outturn reports are also required to be communicated by the person in charge of a Customs place (other than a warehouse) receiving cargo that is moved under a permission given under section 71E (underbond movement).

An outturn report must be lodged in accordance with the following timeframes:

- When cargo is unloaded from an aircraft, an outturn report must be communicated within 24 hours of the aircraft's arrival (or other period as prescribed by the regulations);
- If containerised cargo is received at a depot but not unpacked at that depot, an outturn report must be provided within 24 hours after the person in charge of the depot records receipt of the container (or other period as prescribed by the regulations);
- If containerised cargo is received at a depot and is unpacked at that depot, the operator of the depot is required to provide Customs with an outturn report within 24 hours after the container has been unpacked (or other period as prescribed by the regulations); and
- If the cargo is not in a container, an outturn report must be provided to Customs the day after the day on which the person in charge of that place recorded a receipt of the cargo at that place (or other period as prescribed by the regulations). Note: "Day" does not include Sundays or public holidays.

Customs requirements for the unpack of containerised sea cargo

The outturn report for sea cargo requires the depot operator to include all the details of the container being received, and all the details for the cargo received into a depot, which includes the House Bill Of Lading number(s) and the number of pieces in a consignment.

When a depot operator receives a sea cargo container that will be unpacked at their premises they must provide Customs with an outturn report within 24 hours, or other period as prescribed by the regulations, after the container has been unpacked.

Note: Outturns are required to be reported at the lowest level bill only (ie. the bill that will actually be delivered).

A comprehensive sea cargo diagnostic facility in the Integrated Cargo System (ICS) allows users to view sea cargo moving underbond to their premises. In addition, the facility lists cargo already outturned or waiting to be outturned by your establishment. Assistance in the use of this facility is available by contacting local Compliance staff in your region. This diagnostic facility is not available for air cargo.

Customs requirements for air part shipments

Air part shipments occur when a single consignment arrives over two or more flights. Depot operators must communicate an outturn report for all components of part shipment air cargo, and those outturns must reflect the original flights that the various parts were imported on. Cargo that does not arrive on its scheduled flight must be outturned as "short" with zero packages landed.

When reporting an outturn for subsequent part shipments, the outturn result must reflect the condition of the entire shipment to date. For example, if three of five packages arrive first and two more packages arrive on a subsequent flight, the first outturn must contain a "short landed" outturn result and report that three packages were received. The second outturn must contain a "nil discrepancy" outturn result and report that two packages were received. That is, the second outturn will state that all packages have arrived in Australia.

Customs recognises that depot operators have difficulty providing multiple outturn reports for cargo that arrives over more than one flight. In this situation, depot operators are aware of the total number of packages they collect from the CTO, although they do not know the exact number of packages that have arrived on specific flights. Where it is unclear which packages have arrived on which flight, a depot operator may communicate an outturn report quoting the first flight details and include the total number of packages collected.

It is vital that part shipment cargo is outturned correctly to ensure that the appropriate delivery status is obtained for all component parts of part shipment consignments. The ICS generates individual statuses for all parts and depot operators can only release part shipment cargo once an approved release status is received for each part.

False or misleading statements

Section 243V provides that where a false or misleading statement is made in an outturn report, liability for the strict liability offence rests not only on the person who 'makes' the statement but also on any person who 'caused' the statement to be made.

This means that Customs has the flexibility to target where the breakdown in accuracy occurred, rather than being limited to the final communicator of the information to Customs. For example, if a cargo reporter provides false information to a depot operator and the depot operator includes that information in an outturn report made to Customs, the cargo reporter will have caused the false statement to be made. If however, the depot operator incorrectly transcribes accurate information provided by a cargo reporter and then communicates it to Customs, then the depot operator will be liable for having made the false or misleading statement.

In addition, it is an offence to intentionally make a false or misleading statement to Customs, or intentionally give information to another person, knowing that the information is false or misleading in a material particular and that the other person or someone else will include that information in a statement to Customs.

The records a depot should keep for Customs purposes

To complete an outturn report a depot operator must be in possession of information that will enable the report to be lodged in a timely and accurate manner. The records that should be retained by depot operators are:

- The date and time cargo was received at the depot;
- The date and time unpack was completed; and
- Any manifest information used to report an outturn.

All CTO and depot operators are required to retain relevant commercial documents for a period of five years from the time the goods are imported into Australia to enable Customs to satisfy:

- whether the person is complying with a Customs-related law; or
- as to the correctness of the information communicated by, or on behalf of, the person to Customs.

In addition, the holder of a depot licence must retain all commercial records and records created in accordance with the Customs Act that:

- relate to goods received into a depot; and
- come into the possession or control of the holder of the licence;

for 5 years beginning on the day on which the goods were received into the depot.

A communicator of information to Customs must also keep for a period of one year, records that verify the content of communications made to Customs.

Moving Forward

Customs will continue working closely with all CTO and depot operators to improve the understanding of the obligation to communicate an outturn report. In the absence of CTO and depot operators being able to access a cargo report in the ICS for the purposes of completing the outturn report, a depot operator may use a paper manifest provided by the cargo reporter. Customs is working towards a solution to provide depot operators with cargo report details to assist in the provision of accurate and timely outturn reports.

Information on how to communicate an outturn report electronically can be found in the Cargo Outturn manuals. These manuals can be accessed from the Customs website www.customs.gov.au via the Cargo Support page.

Customs provides support to all clients through education programs and visits. Further information can be obtained by sending an email to compliance.depots@customs.gov.au.

Craig Sommerville
National Manager
Compliance Operations
CANBERRA ACT

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