

JJL**J.J. LAWSON**
CUSTOMS • FREIGHT • TRANSPORT

Bare Facts

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Published by J.J. Lawson - Customs and Freight Brokers

Matt's top tip



Welcome to another issue of Bare Facts. There have been many important changes that have impacted our industry since I last wrote to you. If you are unsure how any of the following affect you or your business, please contact us on 02 9669 3011 and we will help you with any issues.

1. Budget Announcements

Department of Immigration and Border Protection

On 1 July 2015, the Australian Customs and Border Protection Service will become part of a new Department of Immigration and Border Protection and within this new Department will be formed the Australian Border Force.

The Australian Border Force is meant to bring together in one organisation all existing immigration and customs operational border functions.

This will occur as a two stage process. A new section called 'Border Force' has been created with the current Australian Customs and Border Protection Service. Then on 1 July 2015, the Australian Customs and Border Protection Service will cease to exist with its functions transferred to a newly created Department of Immigration and Border Protection.

The Border Force will then be incorporated into the new Australian Border Force within the new Department. The ABF will comprise staff currently at the airports and sea ports and will also include staff currently in investigations, compliance and enforcement in relation to illicit goods and illegal visitors, including immigration detention facilities and removal activities.

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Department of Agriculture fee changes

The Department of Agriculture (the department) is undertaking a review of five biosecurity cost recovered arrangements which resulted in some fee adjustments that commenced 1 July 2014. The short term review was necessary to return the department's cost recovery arrangements to a sustainable footing and to ensure continued compliance with the government's cost recovery guidelines.

Arrangements reviewed include:

- Import clearance (air and sea cargo, including permits)
- Seaports (sea vessels at ports)
- Horse Imports
- Post Entry Quarantine Animal Imports (non-horse)
- Live Animal Exports

For more information, please call 02 9669 3011 or email marty@jjlawson.com.au



Look inside for

Overseas passenger terminal upgrade
and other bare bits!



Matt's top tip

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The government expects that the formation of new Department of Immigration and Border Protection will result in improved border security and improved revenue outcomes for the government, “by providing improved resources, integrated processes and better intelligence to enable a crackdown on revenue evasion”.

Trusted Trade Programme

Also arising out of the Budget is the new ‘Trusted Trader Model’. To this end, the AC&BPS has just released the ‘TRUSTED TRADER PROGRAMME Industry Discussion Paper’.

The Trusted Trader model aims to make it easier for the trading community to deal with government and transactions at the border.

The Trusted Trader Programme will consist of two schemes

- Import Trusted Trader Scheme (ITTS); and
- Export Trusted Trader Scheme (ETTS)

The discussion paper states that:

“The ITTS will promote trade compliance and provide an avenue for select, trusted overseas exporters, supply chain participants and importers to access a range of trade facilitation benefits. The ETTS will be supply chain security focused and account for the World Customs Organization’s (WCO) Authorised Economic Operator (AEO) model with an emphasis on mutual recognition of the scheme.”

“The ITTS aims to provide enhanced border clearance privileges for a range of entities engaged in the importation of goods into Australia. This scheme will increase the certainty and reliability of import clearance processes for its members and will alleviate administrative burden for both industry and government. It will also further enable just-in-time supply chain models which improve return on investment by reducing the level and the cost of inventory and associated carrying costs.

Since the Service deals with a variety of entities involved in the import supply chain, the ITTS will consider three broad entity types. These types are:

- 1. Overseas exporter entities** –to model exporting goods to Australia;
- 2. Supply chain participant** entities such as freight forwarders, carriers, brokers or any other entity involved in the movement of goods along the supply chain; and
- 3. Importer entities** being any Australian-based entity engaged in the import of goods to Australia.

Differentiation between entities is necessary as it will enable the Service to target the eligibility requirements and benefits offered to the particular entity under assessment.”

At this time, precise details of how the schemes will operate and the benefits to be achieved have not been determined.

Some years ago the AC&BPS looked at a similar programme known as the ‘Accredited Client Programme’ which never got past the trial stage. We hope this new programme has more success.

The Department of Agriculture (Quarantine) is also developing a ‘Trusted Arrangements Scheme’ to complement the Trusted Trader Programme.

2. New Infringement Notice Scheme

We sent out a Notice in February about changes to the Customs Act that commenced on 28 November 2013 and new Infringement Notice Scheme (INS) that commenced on 1 February 2014. Industry was only advised of all the details of the new INS on the previous Wednesday.

Under the changes that occurred on 28 November 2013, both the person who makes an Import Declaration and the person who provides information to a Customs Broker in regard to that Import Declaration may commit offences under the Customs Act where that Import Declaration is false or misleading. These offences apply both to individuals and corporations and possibly both at the same time (the AC&BPS has not clarified its position on this at this time).

Under the INS, most strict liability offences can be dealt with by issuing an Infringement Notice and payment of a reduced penalty specified in the Notice. In doing so there is no admission of guilt, the liability for the penalty is discharged and no further action can be taken (provided that any short paid duty is also repaid). The changes to the INS include:

- an increase in the amount of Penalty from 20% to 25% of that which a court could impose;
- the introduction of a corporate multiplier. The corporate multiplier is currently set at 3. This means that if the maximum penalty that could be imposed under an Infringement Notice is 25% of that which a court could impose on an individual, then for corporations the penalty is 75% of the penalty a court could impose. This multiplier can be increased to a maximum of fivefold.
- The issuance of a Penalty Notice cannot be reviewed by the AAT although requests for withdrawal can be made to the AC&BPS. Challenges can also be made to the underlying decision that gave rise to the issuance of the Penalty Notice.
- These changes affect Import Declarations lodged on and from 1 February 2014.

The effect of these changes is that:

- for Customs Brokers their responsibility, liability and risk have increased substantially.
- Importers need to ensure that all documentation and information they provide to their Customs Broker is complete and accurate.
- Customs Brokers will be seeking considerably more accurate information from Importers and will be increasingly seeking to verify information about shipments.
- Customs Brokers are, by law, required to keep records of all information used in preparing import declarations. As such, any information provided by clients will by necessity need to be confirmed in writing and will be kept as a permanent record.
- Importers must retain all commercial documents that relate to their imports for at least 5 years.
- Use of the various Customs Ruling/Advice Systems will need to be increased to provide additional protection.

We urge you to read the flyer sent out earlier this year and familiarise yourself with these changes.

3. Quarantine

In the last issue of Bare Facts, we advised that Quarantine had undergone another name change. It was the Australian Quarantine Inspection Service, it then changed to the Department of Agriculture Forestry and Fisheries and it is now known as the Department of Agriculture (DOA). On 27 November 2013, they decommissioned their @aqis.gov.au email address in favour of @daff.gov.au. DOA then advised that from 24 May 2014 their new email addresses will be @agriculture.gov.au

For those of you who are interested, DOA advised that the Burnt Pine Longicorn season concluded on 1 May 2014 (it affects timber from New Zealand).

DOA has also announced that from 1 April 2014:

- new goods (that have not been used or field tested) which are classified to Tariff Classifications 8437 (milling machinery for cereals and dried vegetables, machinery for cleaning, sorting or grading seed, grained or dried vegetables) and 8701 (tractors) are now low risk goods;
- the term 'factory trialled' has been removed from 'new and unused declarations' required for new machinery. The new declaration now needs to state

"The machinery/equipment is new and has not been field tested."

DOA advise this has occurred as the term 'factory trialled' was causing confusion amongst Exporters to Australia, who were declaring factory tested machinery as having been factory trialled, when for Australian Quarantine purposes it was not considered to be 'factory trialled'.

In the last Bare Facts it was advised that, from 1 February 2014, it would be mandatory to include details of the producer/manufacture for most shipments of imported food stuffs as part of the Customs Entry. On 23 January 2014, DOA advised that this requirement has been suspended until further notice. For those products that had previously required producer/manufacture details, this requirement remains.

4. Free Trade Agreements

KAFTA

On 5 December 2013, the Australian Government announced that it had finalised the Korea-Australia Free Trade Agreement (KAFTA). The agreement was signed in Seoul on 10 February 2014 and on 14 May 2014 it was referred to the Joint Standing Committee on Treaties (JSCOT) of the Australian Parliament for consideration. At this time no commencement date has been announced.

JAPEA

On 7 April 2014, the government announced that negotiations on the Japan Australia Economic Partnership Agreement (JAPEA) have been concluded. Not all Australian goods will be allowed duty free entry into Japan, particularly in regard to the agricultural sector but duty reductions have been negotiated. At this time no commencement date has been announced.

ACFTA

The government announced it hopes to conclude the Australia - China Free Trade Agreement (ACFTA) by the end of this year.

TPP

The Trans-Pacific Partnership (TPP), which had been scheduled for conclusion by 1 January 2014 is still under negotiation and seems to have struck some hurdles.

Other FTA's under negotiation

- Australia-Gulf Cooperation Council (GCC) FTA
- Australia-India Comprehensive Economic Cooperation Agreement
- Indonesia-Australia Comprehensive Partnership Agreement
- Pacific Agreement on Closer Economic Relations (PACER)
- Regional Comprehensive Economic Partnership.

Until next time,
Matt McAuliffe
JJL Legal Eagle

OVERSEAS PASSENGER TERMINAL UPGRADE



A major upgrade of Sydney's Overseas Passenger Terminal (OPT) is currently underway - funded by \$49million investment by the NSW Government - to meet the demands of the booming cruise industry, with the critical work anticipated for completion in September.

The OPT upgrade will bring the terminal in line with the \$57million White Bay Cruise Terminal investment which has already proved a major hit with the cruise lines and passengers.

Last upgraded for the 2000 Olympics, the OPT was ready for expansion to keep up with the huge annual growth in the size and volume of ships visiting Sydney's magnificent harbour.

The upgrade will enable ships to achieve a much smoother one day turnaround, which is preferred by cruise industry itineraries. The increased space will speed up passenger through flow and improve the overall experience of those arriving and leaving the harbour.

The OPT remains operational throughout the upgrade and the work will be completed in time for the peak cruise season, later this year.

BEAR BITS



Bear Island is located about 400km off the coast of Norway in the Barents Sea and is the southernmost island of the Norwegian Svalbard archipelago. It was discovered in June 1596 by two Dutch explorers who named it after they spotted a polar swimming nearby.

The south of the island is mountainous with sharp cliff faces and waterfalls cascading into the sea. The north of the island is low and flat with many hundreds of freshwater lakes.

In the previous centuries, Bear Island has been used as a base for fishing, whaling and walrus hunting however no permanent population ever settled there.

These days, Bear Island is a protected nature reserve, undeveloped and uninhabited except for a weather station at the north end and occasional passing cruise ships.





Meet the Bears!



Rachel Windon Receptionist

My time at JJL...

has never had a dull moment! It's nice to be part of a team and to be appreciated! Being first point of contact at JJL means I get to build a rapport with each client. Sometimes they have time for a little chit chat with me and other times it's "just transfer me, its urgent" which is totally understandable.

I always smile when...
it's cake time!!

My all-time favourite tune is...
"Please Don't Go" by KC & The Sunshine Band.

I'd love to be stuck in a lift with...
more like who would want to be stuck in a lift with this crazy woman! But if I had to pick it would be Ellen DeGeneres

My unforgettable moment...

was when my husband walked unassisted for the first time after his motorbike accident in 2013. (Rachel's husband was critically injured in the accident and they were initially told he'd be a quadriplegic but he has defied the odds and made a remarkable recovery)

I can't live without...

Facebook check-in!

My greatest achievement so far has been...

recently going through the most difficult period of time in my life thus far, and coming out OK, if not even stronger.

My coffee is...

swapped with tea. A strong cuppa tea solves all the world problems!

My best ever purchase...

my iPhone, I would be so lost without it!

If money were no object, I'd...

live by the beach so I could wake up every morning to the sound of the ocean.

I get cranky when...
on a diet!

The best advice I was ever given...

a setback is never a bad experience, just another one of life's lemons.

In ten years' time, I hope...

to be still smiling and living life to the fullest.



On the Net

This and previous Bare Facts Issues are also available for download from www.jjlawson.com.au



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