Australian Government

Australian Customs and Border Protection Service

QUICK GUIDE TO IMPORTS
AIR CARGO TERMINAL OPERATORS (CTO) INCLUDING AIRLINES

Air CTOs undertake a wide range of activities. They may be an airline in their own right or act on behalf of other airlines. CTOs are responsible for the carriage or arranging the carriage of the cargo, the discharge of cargo from the aircraft, the release of the cargo and arranging to move it according to contractual obligations and operational requirements. Their primary responsibilities in dealing with the Australian Customs and Border Protection Service (Customs and Border Protection) is to lodge the Impending Arrival, Actual Arrival, Cargo and Outturn Reports and, where necessary, Underbond Movement Requests. These reports are sent electronically to the Integrated Cargo System (ICS).

Air CTOs intending to operate within Australia should familiarise themselves with the processes and their obligations to communicate information about cargo to Customs and Border Protection.

Customs and Border Protection legislation specifies that all overseas aircraft and imported cargo must be electronically reported to the ICS in a timely and accurate manner. This is to allow Customs and Border Protection to complete a risk assessment before the cargo arrives in Australia. Additionally, if uncleared cargo needs to be moved within Australia, it must be done so in accordance with Customs and Border Protection legislation.

REPORTING OPTIONS

There are several options available to CTOs to communicate arrival and cargo information to the ICS. These are as follows;

- report via a bureau
- report via the online ICS Customs Interactive facility; or
- report via electronic messaging using their in house software or a commercially available package.

REGISTRATION AND LICENSING

If a CTO chooses to report via a bureau, the bureau will generally take care of any administrative requirements. It should be noted that clients using a bureau are still legally responsible for the data reported in the ICS.

Clients can communicate directly with Customs and Border Protection using a digital certificate/s and must register in the ICS prior to submitting any electronic reports. Clients who choose to report via the Customs Interactive facility should be aware that this facility best suits low volume reporters.

Comprehensive supporting documentation is available to clients who wish to develop their own reporting software. As Air CTOs also operate as a depot, they must be licensed under section 77G of the *Customs Act 1901* and operate under the conditions specified within that license. The process of obtaining a depot license is complex. Prospective licensees are advised to contact Customs and Border Protection for details.

CARGO REPORTS

Cargo Reports provide details of the cargo, its journey and entities involved. Cargo Reports link to other ICS messages and are critical to the process of assessing risk and releasing cargo. The risk assessment process takes time and some cases require further investigation which could impact on the delivery of the cargo. Both Customs and Border Protection and Biosecurity Services Group (Australian Quarantine Inspection Service) are responsible for the risk management of all imported cargo and the interception of high risk and prohibited items.

IMPENDING AND ACTUAL ARRIVAL REPORTS

Impending Arrival Reports provide details of the aircraft's journey including overseas and Australian airports of call, estimated times of arrival at Australian airports and discharge information. Impending Arrival Reports link to other ICS messages and

are critical to the process of risk assessment, clearance and determining the location of the cargo to send status information. Impending Arrival Report information is available via the ICS Interactive facility to all users. The Actual Arrival Report provides information about the place and exact time of arrival of the aircraft into an Australian airport.

UNDERBOND MOVEMENTS

In addition to reporting cargo, CTOs may need to move cargo to another location away from their establishment. These moves are reported in the ICS electronically via an Underbond Movement Request. Requirements for underbond movements are mandated by legislation.

AIR WAYBILL OUTTURN

All cargo discharged from an aircraft are outturned using the Air Waybill Outturn Report. Each piece of cargo received must be accounted for. Details contained in the outturn include dates and times of discharge, cargo identification and type, the party responsible for the cargo and the outturn result. The Air Waybill Outturn is critical in identifying surplus and shortlanded cargo and is used in the process for identifying and managing part shipped consignments.

RELEASING CARGO

It is the responsibility of the CTO to ensure that cargo leaving their establishment has been released only after authority from Customs and Border Protection has been received. That authority may be in the form of a Cargo Status Advice or Underbond Approval message transmitted from the ICS. The ICS transmits up to date cargo status information to all release establishments

CUSTOMS INTERACTIVE (CI) FACILITY

The ICS offers a comprehensive search and diagnostic facility where users can view and amend their reports. Details about the status of cargo are available to monitor progress towards release. In addition, aircraft arrival information is available to all clients. CTOs may also utilise the Customs Interactive facility as a contingency plan or back up in case of outages.
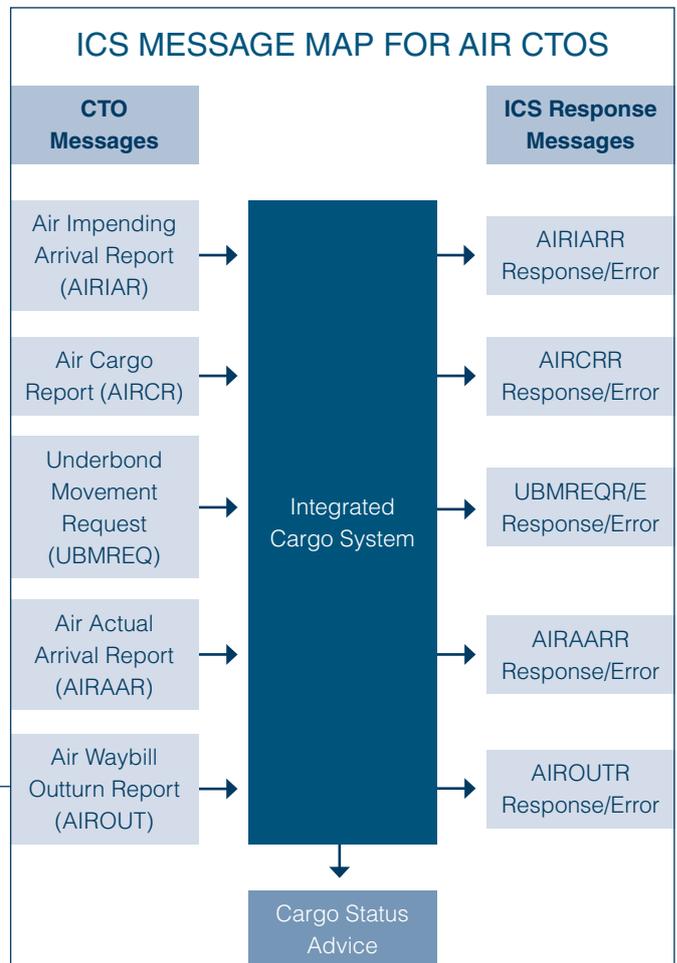
COMPLIANCE

Customs and Border Protection's Compliance Assurance Branch monitors the timeliness and accuracy of Cargo Reports, arrival information and outturns to ensure compliance with the legislated reporting timeframes. CTOs should familiarise themselves with the requirements relevant to their operations as they may vary according to a range of factors.

The Compliance Assurance Branch undertakes regular examination of data along with onsite checks to ensure the accuracy of reports and that cargo has been released in accordance with advice received from the ICS. All supporting documents must be retained and available for inspection for at least five years.

Regional Compliance officers are available to help clients to comply with Customs and Border Protection requirements. Compliance officers are also on hand to undertake onsite visits and provide a range of educational and other helpful material.

Penalties apply where instances of non-compliance with Customs and Border Protection requirements are detected.

ICS MESSAGE MAP FOR AIR CTOS

CTO Messages	Integrated Cargo System	ICS Response Messages
Air Impending Arrival Report (AIRIAR)		AIRIARR Response/Error
Air Cargo Report (AIRCR)		AIRCRR Response/Error
Underbond Movement Request (UBMREQ)		UBMREQR/E Response/Error
Air Actual Arrival Report (AIRAAR)		AIRAARR Response/Error
Air Waybill Outturn Report (AIROUT)		AIROUTR Response/Error

Cargo Status Advice

BASIC STEPS TO CLEARING CARGO

Flight details reported and risk assessed in ICS

Cargo reported and risk assessed in ICS

Underbond Movement Requests lodged

Customs broker declares goods and pays charges

Declaration risk assessed in ICS

Cargo arrives, then discharged, outturned, moved to a depot for deconsolidation

Consignments outturned, released and delivered to owner