



Bringing you the bear essentials

Breaking news!

Integrated cargo Systems, the changes that affect you.

Introducing ICS



The final and main component of the ACS' \$180M new computer system, the Integrated Cargo System (ICS), is

scheduled to start on 12 October 2005, although a recent legislative amendment may put this date back to 7 November 2005. At this time, we will also see more of the Cargo Management Re-Engineering (CMR) legislative changes come into force.

CMR and ICS changes have been introduced in stages since 2002, with the Exports Component of the ICS commencing in August 2004.

Changes that affect importers, due to commence on 12 October 2005, include

1. New Format Customs Entries
 - Self-Assessed Clearance Declarations (short form) for goods with a Customs Value of \$250 or less or, if import by post, a Customs Value of \$1000 or less.
 - Self-Assessed Clearance Declaration (full form) for goods with a Customs Value of \$250 or less or, if import by post, a Customs Value of \$1000 or less – used where goods have other impediments eg AQIS, Import Permits, etc.
 - Import Declaration – Nature 10
 - Import Declaration – Nature 30 for entry of goods for Home Consumption that have previously been entered for Warehousing
 - Warehousing Declaration – Nature 20
 - Combined Import/Warehouse Declaration Nature 10/20
 - Request for Cargo Release with Periodic Declaration – only applies to importers on the accredited client scheme (not operational at this time).

Matt's top tip

Each issue, our legal eagle, Matt McAuliffe, will let you know the latest industry inside-info.

AQIS recently announced the extension of the Australian Fumigation Accreditation Scheme (AFAS) to another three countries - Malaysia, Thailand and India. A total of five countries are now included in the scheme (the others being Indonesia and Italy).

Fumigated timber materials imported from these countries will now only be accepted from companies that have been registered under AFAS.

AFAS will be phased in through the three new countries over a three-month period - Malaysia from 1 October 2005, Thailand in November and India by 31 December 2005.

If goods are not fumigated by an accredited company, fumigation will have to be re-done in Australia at additional cost. Please contact us to discuss whether your overseas fumigator has been approved under AFAS.

Matt McAuliffe
Consultant
Indirect Taxation



2. Preference Statements, indicating the preference rule that has been complied with, will be required for claiming preferential duty rates for goods made in Developing Countries, Papua New Guinea, New Zealand, Canada, Forum Island Countries and under the Free Trade Agreements with USA, Thailand and Singapore.
3. Notifying the ACS of the delivery address for import shipments will become part of the Customs Entry. As such, we will need to know delivery addresses prior to lodging Customs Entries and any change in delivery address after notification to the ACS will require an entry amendment.
4. Customs Duty Refund provisions will extend from 12 months to four years. The ACS' ability to recover short-paid customs duty will extend to at least four years (although the ACS currently advises that, unless a duty short-payment arose due to an error by the ACS, there is no time limit in regard to the recovery of short-paid customs duty).

Talking timber

Last year, AQIS changed the regulations for the import of timber packing materials. As of 1st September 2004, AQIS accepts solid wood timber packing materials that have been treated in accordance with the requirements of International Standard for Phytosanitary Measures 15 (ISPM 15).

For ISPM 15 to apply, the timber must be bark free and treated by to the ISPM 15 standard by an ISPM 15 accredited treatment provider, who must stamp the treated timber with the ISPM 15 certification mark.

There is no requirement that ISPM 15 treated timber must be exported within 21 days of treatment, nor is a treatment certificate required. However, an ISPM 15 specific AQIS Packing Declaration is required for each shipment.

For clients who do not wish to use ISPM 15, the current treatment provisions for timber packing materials will continue.

Many importers are taking advantage of the new regulations and use ISPM 15 Heat Treated timber pallets to negate the need for fumigation.

In addition to this change, packing materials made from reconstituted wood products - such as particleboard, chipboard, masonite, oriented strand board, MDF and HDF - are no longer considered to be wood by AQIS and so do not require fumigation or other treatment. Therefore, where these materials are used, the AQIS packing declaration question in regard to timber packing materials can be answered 'No'.



Coastal News

JJ Lawson recently took ownership of a warehousing and distribution facility in Tuggerah, enabling us to expand our operations on the Central Coast.

We are well established in the area and, with imports and exports at an all-time high, we need these bigger premises to service our local customers.

The new 3098m² site, in the heart of the Tuggerah Industrial Estate, includes a full hard stand, warehousing facilities and easy access to the Pacific Highway.

We also plan to develop a fully approved quarantine depot, steam-cleaning and fumigation operation on the Tuggerah site. When approved, this facility should prove very useful to many importers and exporters in the region.

Introducing ICS *continued from page 1*

5. The Customs Entry will also become the Quarantine Entry for any shipments that are directed to AQIS for assessment.
6. Personal Effects shipments will be able to be cleared electronically. If PE's are not cleared electronically, importers will be required to go through a 100-point identity check.
7. Importers who use the ACS Direct Debit facility to pay Customs Duties will be required to complete new Direct Debit forms (if they have not done so already).
8. The ACS will impose new Cost Recovery fees for processing Customs Entries, Cargo Reports etc.
9. An Importer's ABN will now become the primary identifier, rather than the Customs Owner Code that importers now have.

Reporting Imports

The role of a customs broker has changed dramatically over the last few years as government agencies have handed over increasing accountability to importers. The customs broker must now wear many hats - customs officer, quarantine officer, tax agent - and take responsibility for importers' compliance with the statutory requirements of many other government agencies.

For example, the creation and lodgment of Customs Entries for all seafreight imports involves interaction with four major government agencies:

- The Australian Customs Service (ACS) for the determination of import duty and the assessment of prohibited imports.
- The Australian Taxation Office (ATO) for assessment of GST liability.
- The Australian Quarantine and Inspection Service (AQIS) oversee the clearance of all seafreight.
- The Australian Bureau of Statistics (ABS) uses Customs Entries for determining Australia's balance of trade figures.

Many other commodities also require import approval from other government agencies - for example, imported motor vehicles must be approved by the Department of Transport & Regional Services.

Service Awards @ JJJ



Sharne Ritenis

Congratulations to both Sharne and Michael for ten years service at JJJ.

Sharne - 10 years service on the 13th Feb. 2005, and Michael - 10 years service on the 31st July 2005.



Michael Cunningham

Changing Free Trade

THAILAND-AUSTRALIA FREE TRADE AGREEMENT (TAFTA)

The Thailand-Australia Free Trade Agreement commenced on 1st January 2005 and, under this agreement, most goods made in Thailand can now be imported duty free.

To take advantage of the TAFTA preferential customs duty rates, importers must remember:

1. Preferential customs duty rates are only applicable to goods that meet the TAFTA definition of 'Thai Originating Goods'. There are many product specifics that determine Thai Originating Goods and importers should familiarise themselves with these rules.
2. Goods which otherwise meet the definition of Thai Originating Goods will not be treated as such if, after export from Thailand, they are traded or undergo any production process in a other country than Thailand or Australia.
3. Thai exporters must be registered for the purposes of TAFTA by the Thailand government.
4. At the time of importation an Importer must have a copy of the Certificate of Origin that was issued under the Free Trade Agreement by a Thai Government Agency.

The current DCS Customs Duty rates for Thai origin goods will continue to apply to those goods that do not meet TAFTA requirements.



AUSTRALIA-US FREE TRADE AGREEMENT

The Australia-US Free Trade Agreement (AUSFTA) also commenced on 1st January 2005 and most goods made in the USA can now be imported duty free.

There are a number of rules that importers must comply with to take advantage of the preferential customs duty rates under the AUSFTA,

1. Preferential customs duty rates only apply to seven categories of goods that are identified as 'US Originating Goods'. Each imported product has its own specific requirements, depending upon its tariff classification, that determine whether it is classed as US Originating Goods.
2. If goods that meet the definition of US Originating Goods are transported through another country or place and undergo any operations other than packing, packaging, unloading, reloading or operations necessary to preserve the goods for transport to Australia, they will not be treated as US Originating Goods.
3. A Certificate of Origin is not required to substantiate US Originating Goods but an importer must be able to demonstrate that the goods meet AUSFTA preference requirements. The ACS is currently policing AUSFTA, requiring importers to provide such documentary evidence.

Identifying whether goods are US Originating goods can be complex and time-consuming. Contact us to determine the exact rules applicable to the goods you wish to claim under AUSFTA.

Keeping it clean



The recent introduction of CMR (Cargo Management Re-engineering) has had a major impact on the operations of the customs industry. CMR has instigated the update and tighter enforcement of many Customs laws.

Under CMR, any error – intentional or otherwise, dutiable or otherwise – is an offence against the Customs Act and may result in a fine. Regardless of who, why or how, the responsibility rests with the customs broker and importer.

If the ACS believes an offence has been committed, it can prosecute the matter or it can issue an Infringement Notice (20 percent of the full penalty that a court could impose).

The ACS usually investigates duty short-payments (and other errors) up to four years from the date of importation. It is more important than ever that you provide us with accurate and timely information in regard to your imports.



BEAR BITS

Brown Bears are the tallest bears, sometimes up to 3.2 metres tall.

Polar Bears are the largest bears, weighing in at up to 900kg.

The ancient **Cave Bear** that terrified Caveman was over 4.3 metres tall.

Step back in time...



MERCHANT AND SHIP CHANDLERS SYDNEY TOWN, 1852

RULES FOR THE CLERICAL STAFF

THE OWNERS HEREBY RECOGNISE THE GENEROSITY OF THE NEW LABOUR LAWS BUT WILL EXPECT A GREAT RISE IN THE OUTPUT OF WORK TO COMPENSATE FOR THESE NEAR UTOPIAN CONDITIONS.

1. GODLINESS, CLEANLINESS AND PUNCTUALITY ARE THE NECESSITIES OF A GOOD BUSINESS.
2. ON THE RECOMMENDATION OF THE GOVERNOR OF THIS COLONY, THIS FIRM HAS REDUCED THE HOURS OF WORK AND THE CLERICAL STAFF WILL NOW ONLY HAVE TO BE PRESENT BETWEEN THE HOURS OF 7AM AND 6PM ON WEEKDAYS.
3. THE SABBATH IS FOR WORSHIP BUT, SHOULD ANY MAN OF WAR OR ANY OTHER VESSEL REQUIRE VICTUALLING, THE CLERICAL STAFF WILL WORK ON THE SABBATH.
4. DAILY PRAYERS WILL BE HELD EACH MORNING IN THE MAIN OFFICE.
5. CLOTHING MUST BE OF A SOBER NATURE. THE CLERICAL STAFF WILL NOT DISPORT THEMSELVES IN RAIMENT OF BRIGHT COLOURS, NOR WILL THEY WEAR HOSE UNLESS IN GOOD REPAIR.
6. OVERSHOES AND TOPCOATS MAY BE WORN IN THE OFFICE BUT NECK SCARVES AND HEADWEAR MAY BE WORN IN INCLEMENT WEATHER.
7. A STOVE IS PROVIDED FOR THE BENEFIT OF THE CLERICAL STAFF. COAL AND WOOD MUST BE KEPT IN THE LOCKER. IT IS RECOMMENDED THAT EACH MEMBER OF THE CLERICAL STAFF BRING FOUR POUNDS OF COAL EACH DAY DURING COLD WEATHER
8. NO MEMBER OF THE CLERICAL STAFF MAY LEAVE THE ROOM WITHOUT PERMISSION FROM MR RYDER. THE CALLS OF NATURE ARE PERMITTED AND THE CLERICAL STAFF MAY USE THE GARDEN BELOW THE SECOND GATE. THIS AREA IS TO BE KEPT IN GOOD ORDER.
9. NO TALKING IS ALLOWED DURING BUSINESS HOURS.
10. THE CRAVING FOR TOBACCO, WINES OR SPIRITS IS A HUMAN WEAKNESS AND AS SUCH IS FORBIDDEN TO ALL MEMBERS OF THE CLERICAL STAFF.
11. NOW THAT THE HOURS OF BUSINESS HAVE BEEN DRASTICALLY REDUCED, THE PARTAKING OF FOOD IS ALLOWED BETWEEN 11.30AM AND NOON BUT WORK WILL NOT, ON ANY ACCOUNT, CEASE.
12. MEMBERS OF THE CLERICAL STAFF WILL PROVIDE THEIR OWN PENS. A NEW SHARPENER IS AVAILABLE, ON APPLICATION TO MR RYDER.
13. MR RYDER WILL NOMINATE A SENIOR CLERK TO BE RESPONSIBLE FOR THE CLEANLINESS OF THE MAIN OFFICE AND THE PRIVATE OFFICE, AND ALL BOYS AND JUNIORS WILL REPORT TO HIM 40 MINUTES BEFORE PRAYERS AND WILL REMAIN AFTER CLOSING HOURS FOR SIMILAR WORK. BRUSHES, BROOMS, SCRUBBERS AND SOAP ARE PROVIDED BY THE OWNERS.

THE NEW INCREASED WEEKLY WAGES ARE AS HEREUNDER DETAILED:

JUNIOR BOYS	1/4
BOYS (TO 14 YEARS)	2/1
JUNIORS	4/8
JUNIOR CLERKS	8/7
CLERKS	10/9
SENIOR CLERKS (AFTER 15 YEARS WITH THE OWNERS)	21/-



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J.J. LAWSON PTY LTD
CUSTOMS AND FREIGHT BROKERS
ABN 82 001 279 901 ACN 001 279 901

Head Office:

2 - 6 Duguid Street Mascot NSW 2020
P.O. Box 489 Mascot NSW 1460
Phone: +61 (02) 9669 3011
Fax: +61 (02) 9693 5872
Email: bears@jjlawson.com.au
www.jjlawson.com.au

Regional Office:

5 Bluegum Close Tuggerah NSW 2259
Phone: +61 (02) 4353 9244
Fax: +61 (02) 4353 9255

Transport Depot:

10 - 16 Seville Street Villawood NSW 2163