



How to Avoid Delays with Australian Customs

The Australian Customs Service manages the security and integrity of Australia's borders. In particular, it aims to intercept illegal drugs and firearms, as well as stop the unlawful movement of goods and people. Australian Customs works closely with The Australian Federal Police, the Department of Immigration and Citizenship and the Department of Defense and the Australian Quarantine and Inspection Service (AQIS). The AQIS protects our \$32 billion agriculture export industry, the environment, tourism and lifestyle by minimizing the risk of exotic pests and diseases entering Australia.

That's why failure to comply with strict Australian Customs and Quarantine requirements can leave your goods delayed or languishing in storage while you run around co-ordinating the necessary paperwork. While these systems may seem onerous and complicated, they are necessary to protect the Australian community and economy. With a clear understanding of what's required, they can also be skillfully navigated. That's why engaging a licensed and experienced broker may prove a prudent choice.

A Licensed Broker facilitates a seamless importation

Whether by sea or air, once goods arrive in Australia, it is advantageous to both the importer and the wharves and airport depots, to clear the goods through customs and AQIS as quickly as possible. In fact, importers have three clear days during which to collect their goods from the wharf before storage fees apply. Accordingly, wharf storage fees are between \$100-\$250 per container per day while airlines (who allow importers two clear days to collect their goods) charge 25 cents per kilo per day.

Knowing what's required is essential to minimizing charges and eliminating any extra fees and charges. That's where an experienced Customs Agent like Magellan Logistics can ease the stress of importing goods. In simple terms Magellan Logistics, like other customs brokers or agents, helps importers clear goods through the government agencies and into the Australian marketplace. Magellan has a corporate license and employs licensed brokers who can assess customs documents, determine the correct duty and import GST information and advise on concessions or reduced rates in duty or other government charges that may apply to your shipment. Brokers are also licensed to evaluate quarantine documents.

Below is an overview of some of the considerations required to smooth the importation of your goods.



Have all required documentation complete and ready

Ensuring that all the necessary documentation is fully completed and available for timely submission will keep your goods moving in the right direction – your warehouse.

The table below summarizes the required documents:

Document	Description	Required by	Issued by / to
Bill of Lading (BOL)	Details the precise contents of the shipment	Australian Customs, Freight Forwarder, Shipping Line	Issued by your Freight Forwarder to the shipper at the port of export
Commercial invoice / packing list	Lists the items contained in the shipment	Australian Customs	Issued by your supplier to you
Packing Declaration	Describes the packing used	Australian Quarantine & Inspection Service (AQIS)	Issued by your supplier to you

The **Bill of Lading** may be issued as an **Original Bill of Lading (OBL)**. This shows ownership of the goods and maybe used when the shipper wants to retain the goods until they've received payment or when the cargo is linked to a bank's Letter of Credit (LC). The Bill of Lading may also be issued as an **Express Release**, the easiest and most hassle-free arrangement. An Express Release is used when you and the shipper have negotiated payment terms or you have paid for the goods at the shipment date.

Another option is a **Telex Release**, this is when an original Bill of Lading, is given back to the overseas Freight Forwarder by the supplier once payment is made. They then telex the release to the port of entry and the goods are released.

The **Commercial Invoice / Packing lists** detail the items contained in your shipment. Though the original is preferable, Magellan Logistics can arrange clearance on email copies if required.

A **Packing Declaration** is required by AQIS because it details what, if any, packaging has been used. Any packaging or goods that do not meet Australian Quarantine requirements may be fumigated. For example wood not treated to international standard IPISM 15 must be fumigated. Any part of the consignment that has wood or plant matter must also be fumigated. Generally it is cheaper to fumigate your cargo at the port of origin, however AQIS has banned some fumigation companies. So call Magellan for a list of approved overseas fumigation companies. Once you have fumigated your goods, ensure that you obtain an official fumigation certificate otherwise your goods may be detained and re-fumigated in Australia.

To avoid these unnecessary issues engage Magellan Logistics to help you get an annual packing declaration from the shipper. Once approved by AQIS, this declaration will apply to all shipments from that supplier that comply to AQIS requirements and are sent within a 12 month period.



Depending on the contents on your shipment and its country of origin, other documentation required can include:

- ✦ Phytosanitary certificate
- ✦ Packing lists
- ✦ Manufacturer's declarations
- ✦ Lot codes and batch numbers
- ✦ Fumigation certificates
- ✦ Costings and assist sheets
- ✦ Permits
- ✦ Certificate of Origin
- ✦ Certificate of Analysis

Call Magellan Logistics to confirm what documents are necessary to ensure seamless importation of your goods.

Duty, Tariffs, GST

While originally used for raising revenue, today duty levels the global marketplace to protect Australian manufacturers and the local economy from excessively cheap imports. Duty rates vary across industries with the highest rates charged on protected industries e.g. car (10%) and clothing (17.5%) manufacturers. Most items, including wood / plastic / rubber and stone products attract 5% duty. Duty is lowest on items that don't threaten an Australian industry e.g. books and some specialist machinery.

If your goods are not currently produced in Australia, you can apply to Australian Customers Service for a Tariff concession. This concession gives a duty-free rate to dutiable goods. However, before granting your application, local industry will assess your supporting documentation to ensure they remain protected. The Minister for International Trade is also able to offer discounted duty rates on specific items for particular purposes e.g. specialist mining and oil rigging machinery, diplomatic goods and warrantee repairs.

A Free Trade Agreement offers importers from participating countries reduced or no duty on certain goods. Australia currently holds Free Trade Agreements with New Zealand, Canada, USA, Singapore, the Forum Islands and Thailand. Each country stipulates the requirements under which lower duty rates apply. Call Magellan Logistics for detailed advice.

To promote trade with third world and developing countries, the Australian Government offers reduced duty rates to importers from these countries. Relevant countries fall into one of three categories: Least Developed Countries, Developing Countries and Special Developing Countries. You can find country listings at <http://www.customs.gov.au/webdata/resources/tariff/schedule1a.pdf>

With the exception of foods, beverages and certain medical products, a flat GST of 10% of the Value of Taxable Importation (VOTI) is charged across all industries.

(VOTI = Free on Board (FOB) value of the goods + freight, insurance, duty/excise costs.)



To assist company cashflow, importers can apply to the Australian Taxation Office, for a deferred GST plan. For in-depth information on taxable or dutiable imports including bank charges and buying commissions call Magellan Logistics.

Importers and exporters can also access import schemes. The most notable of these is Tradex, an initiative of AusIndustry, the business program delivery department of the Department of Industry, Tourism and Resources. Tradex assists companies who import goods for sale and may export these goods out of the country by eliminating Duty and GST. For more information on Tradex and other import schemes, visit the AusIndustry website: www.ausindustry.gov.au

Delivery once cargo is cleared.

Once cargoes are customs cleared, delivery from the wharf, air bond store or LCL unpacking depot has to be arranged. To ensure safety and expedite cargo deliveries, you must stipulate the correct equipment for delivery. Sending the wrong vehicle can result in additional and unexpected charges. Know how your cargo is arriving and what type of vehicle is required. The table below summarizes vehicle types and uses for deliveries of Full Container Loads:

Delivery Type	Vehicle	Purpose
Conventional	A standard truck & trailer	The container with your cargo will be delivered on the back of a truck to your loading dock. You can unload the goods directly from the container into your warehouse.
Tray Truck	A truck with a rigid tray	Used when there is restricted space and a normal articulated truck and trailer will not fit. The shorter length allows the truck to access premises where there is a shortage of space.
Drop Trailer	Standard truck & trailer	The container is driven to your premises and left on the trailer for unloading.
Sideloader	Truck with trailer equipped with lifting arms	The container is delivered to your premises and lifted to the ground with the lifting arms fitted to the trailer. The empty container will usually be picked up within an agreed timeframe.

All deliveries are subject to weight & time restrictions, contact Magellan for advise if your cargoes are over 19000kgs.



For deliveries of less than a container load (LCL) or air freighted cargo, the size of the truck required is determined by the volume, size or cubic meters of the shipment. You will need to advise the transportation company of any specific delivery instructions i.e. if you only have access for a small truck or need to unload from the side of the truck.

Beware additional charges

No one likes unexpected expenses, yet unclear information, inappropriate packaging or importation of goods that are hazardous to the Australian environment can result in wharf or airline depot extra charges.

For example, consumer goods must clearly show the required commerce markings. Goods that contain any amount of wood may be subject to AQIS treatment directions, or shipments of food may be subject to IFIP (Imported Food Inspection Program) inspection and possible treatment once in Australia. Additional charges may apply in the following circumstances:

Item	Circumstances
FCL Detention (Full Container Load)	If the total delivery time, from pick up at wharf to unpack at your premises and off hire of the empty container exceed allowed time, detention rates apply.
LCL Detention (Less than a Container Load)	When waiting time at pick up/drop off exceeds allocated time.
Via Depot	If importer is unable to take delivery of container and available wharf time has lapsed or if the importer wants to delay the delivery and container is moved via the Cartage companies depot
Tailgate	Quarantine inspection ordered for cargo travelling to country areas.
Steamclean	Quarantine identifies dirt on the container and instructs that the container be steam cleaned prior to release from terminal.
Fumigation	Wooden products or Wooden Packaging in the container were not fumigated at the port of origin.
Missed timeslot	The time slot arranged at wharf wasn't used due to a customs holding the container i.e. missing or incorrect paperwork.
Futile trip to wharf	Trucking company has gone to wharf to pick up a container that has been delayed by customs.
Wharf / Depot Storage	Insufficient paperwork to clear cargoes before storage commences
Container Demurrage	Container is not returned to Shipping line within the allowed free time.



A thorough understanding of the purpose, processes and requirements of the Australian Customs Service, Sea Freight Terminals and Air Line and Ground handlers is vital to the smooth importation of any goods into Australia. For more information visit their website, www.customs.gov.au or engage Magellan Logistics to co-ordinate seamless transportation of your goods.

Magellan Logistics

International Callers please call **+61 3 8318 9600**

Callers within Australia please call: **1300 651 888**

Or visit our website: **www.magellanlogistics.com.au**