

SENATE LEGAL AND CONSTITUTIONAL LEGISLATION COMMITTEE  
AUSTRALIAN CUSTOMS SERVICE

**Question No. 220**

**Senator Ludwig asked the following questions at the hearing on 24 May 2005:**

- a) Could you provide an update (from November 2004) as to how many claims for damages and pillages Customs has disputed? Please provide details of the claims including the time taken to resolve the claims.
- b) How many claims involving damages and pillaged goods are there that have not yet been resolved? In each case:
  - i. What was the nature of the claim?
  - ii. Has an investigation been undertaken? What stage is the investigation at?
- c) Has Customs used (or is Customs using) alternative dispute resolution mechanisms to help resolve any of the claims?
- d) If so, please provide details of the claims which were resolved using alternative dispute resolution
- e) If not, why not? Was there a conscious decision not to use alternative dispute resolution to resolve any cases?

**The answers to the honourable senator's questions are as follows:**

- a) and b) Since November 2004, only four claims for damages and pillages have been disputed by Customs. Three of these are yet to be resolved

***Claim 1***

Claim received 21 January 2005. Days to resolve: 30

On 21 January 2005, following receipt of the cleared consignment which had been inspected by Customs, the importer submitted a claim to Customs stating one knife was missing. The knife's approximate value is \$25. An investigation was undertaken by Customs into the matter that revealed that the importer's representative, a courier company, was present at all stages of the Customs examination and no supporting evidence existed of pillage. In addition the investigation was not able to determine whether the knife was or was not dispatched by the consignor. The importer has been advised by mail that no evidence exists to suggest pillage.

***Claim 2***

Claim received 18 February 2005. Not yet finalised.

Claim for \$600 in damage to jockey wheel of powerboat at the Cargo Examination Facility. Claim rejected by Customs on the grounds that there was no evidence that the goods were damaged while being inspected by Customs. Customs staff oversaw the pick-up, transfer and return of the boat and did not notice any damage to the boat or the jockey wheel at the time of processing. Therefore Customs did not accept any responsibility for the damage to the jockey wheel. A reply was sent on 21 February 2005. No further response has been received from the claimant.

***Claim 3***

Claim received 13 April 2005. Not yet finalised.

Damage/missing claim (value not provided) for paint materials, samples and advertising materials. On 29 April 2005, Customs has requested further information in writing. Claimant has not yet responded.

***Claim 4***

Claim not yet submitted but email complaint received on 26 May 2005 from importer for missing alcohol and biscuits. Cargo Examination facility removed 12 bottles of wine for testing to ensure the content was as described and did not contain a prohibited substance. The bottles and remaining contents were then destroyed. Customs would not dispute claim for 12 bottles of alcohol but would for biscuits. Approximate value of wine is \$40 as per Customs entry. Value of biscuits as per Customs entry is \$181.39. Awaiting official claim from importer.

- c) No.
- d) Not applicable.
- e) In four claims (excluding the alcohol from Claim 4 which is not in dispute), there is either no evidence to support the claim that Customs was responsible for the damage/pillage or the claim is not yet at a stage requiring resolution (eg awaiting further information).