

TEACHER & LEARNING ACTIVITIES

THE IMPORTING PROCESS

This activity allows students the opportunity to examine in detail the processes that must be completed to facilitate the successful and safe importation of freight by sea. This exercise is as much about students' communication and team work as information gathering and requires students to work collaboratively within clearly defined roles.

ACTIVITY 8a: SORTING ROUND GAME: THE IMPORTING PROCESS

Review the research conducted in the previous lesson by quickly recapping some of the *Key Port Service Providers*. Challenge students to order the *Sorting Round Cards* describing the various stages of the importation process. Divide the class into mixed ability groups of around six and provide each with the cards prepared or the sheet for students to cut into cards themselves. Establish the aims and rules of the activity with the class referring to the *Sorting Round Game*.

AIM: Put the cards into the correct order so that they describe the Import Process.

RULES:

- Shuffle and deal the cards out amongst your group.
- Take turns to read out the description on the card, going clockwise around the table.
- Once the card has been read to the group it can be placed.
- Speak only when it is your turn.
- Move or re-order the cards only when it is your turn.
- The order of the cards can be changed on your turn even if you have placed all of your own cards.
- Reasons must be given explaining your choice of order.
- Work together until the group is happy that the order is correct.
- If the group cannot decide where to place a card a vote may be taken.
- When the group has decided, tack the cards, in order, on to A3 paper.

QUESTIONS FOR DISCUSSION

Discuss what communication skills are needed to complete this task.

- Why are communication skills important?

Once the groups have had adequate time to tackle the task, draw the class together for feedback. Reveal that the first stage is 'Notify Shipping Details' then go around the class asking each group in turn to suggest the next stage.

QUESTIONS FOR DISCUSSION

Discuss any discrepancies or disagreements that arise.

- What clues are there in the descriptions which suggest order of events?

The *Awareness of the Whole Supply Chain* website can be used to help students check their answers.

THE IMPORT PROCESS RUNS AS FOLLOWS:

1. Notify shipping details
2. Obtain customs clearance
3. Distribute shipping documents
4. Vessel prepares entry to the Australian port
5. Arrange marine services
6. Arrival into harbour
7. Berthing the vessel
8. Settling shipping and local port charges
9. Unloading and storing containers
10. Performing inbound regulatory services
11. Complete customs clearance
12. Arrange road transport
13. External container inspection
14. Perform road transport
15. Deliver container to customer
16. Return the empty container

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THE IMPORTING PROCESS

ACTIVITY 8b: PLANNING, RECORDING, COMMUNICATION

This activity asks students to identify and analyse the importance of planning, recording and communication within supply chain activities.

Recap the definition of a supply chain highlighting the words 'planning, recording and communication'. Discuss with the class why these elements are so important.

Ask each group to split into pairs. Have pens of three different colours handy. The task for each pair is to select planning, communication or recording and underline examples of these in the importing process. For example:

- **Pair 1:** Blue for examples of planning;
- **Pair 2:** Red for examples of communication;
- **Pair 3:** Green for examples of recording.

Pairs may like to take one card at a time to examine and underline examples of their chosen feature.

Explain that all communication in this process can be performed using Electronic Data Interchange (EDI). EDI is a way businesses can send information electronically, a bit like e-mail. Discuss with the class the importance ICT plays in this process.

KEY QUESTIONS

Containers are given barcodes like car licence plates called Serial Shipping Container Codes (SSCC).

- Why do you think the containers are given these?

The SSCC barcodes are scanned whenever the container enters or leaves a location.

- Why do you think this is done?
- Who might need to know where the container is at any given time?

Discuss with the class what they have learned about the supply chain.

- Why are planning, recording and communication so important in the supply chain?
- Are they surprised by how complicated it is?

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Key Port Service Providers

Freight Forwarders	Supervise the arrangements for freight being imported or exported and manage the passing of information and documentation process.
Custom Brokers	Advise importers and exporters, complete documentation and arrange for freight to be transported by shipping companies,
Shipping Agents	Agents representing shipping lines.
Stevedores	Operate the shipping terminal; loading and unloading the ships.
Shipping Lines	Operate transport vessels and hire out the containers to companies wanting to import and export freight.
Customs	Protect Australia's borders and police the illegal movement of people and freight.
AQIS - Australian Quarantine and Inspection Service	Inspect incoming luggage, cargo, mail, animals and plants and their products and provide inspection and certification for a range of exports.
Ship's Master	Person who has overall responsibility for the vessel.
The Pilot	Responsible for the safe conduct and navigation of the ship into port.
Tug Services	Assists with the movement of vessels in and around the port.
Port Authority and Harbour Control	Responsible for all land within port land and water boundaries, they control all shipping movements within port waters.
Transport Provider	Operates fleets of trucks that carry containers between the shipping terminal, distribution centres, rail terminals and container parks. They may operate local, regional and interstate road freight services to exporters and importers. May run depots where freight is assembled into orders and dispatched in smaller vehicles to the customer.
Intermodal Transport Centres	Combine road and rail transport services and distribution operations.
Container Parks	Stores, inspects, cleans, repairs and fumigates empty containers ready for hire.

8a SORTING ROUND GAME: THE IMPORTING PROCESS

AIM:

Work as a team to put the cards into the correct order so that they describe the Import Process.

RULES:

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The Awareness of the Whole Supply Chain

<http://www.supplychainvictoria.com.au/interactivetools/careers/>

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8a SORTING ROUND GAME: THE IMPORTING PROCESS

NOTIFY SHIPPING DETAILS

- The exporting freight forwarder hires a container and space for it on a vessel - called a container ship - from a shipping line.
- The shipping line gives the container a bar code called a Serial Shipping Container Code (SSCC) to identify it (like a licence plate on a car).
- The shipping line uses Electronic Data Interchange (EDI) to tell the exporting stevedores about the size and type of container. EDI is similar to sending an e-mail.
- The overseas stevedores use this information to plan where to place the container on the vessel.
- The exporting freight forwarder sends the importing freight forwarder shipping and container information using EDI. Information includes the departure and arrival times and dates of the shipment, the container's SSCC, the contents of the container and important dates like 'best before' dates of the freight.



VESSEL PREPARES ENTRY TO THE AUSTRALIAN PORT

- When the vessel is about 48 hours away from the Australian port, the ship's Captain gives the shipping line an estimated time of arrival.
- The shipping line makes arrangements for port entry including organising marine services.
- The shipping line contacts the port authority and harbour control with the vessel's berth requirements. The berth is where the vessel will be unloaded. The port authority needs to know the size and type of vessel to allocate a berth that is big enough and has the correct equipment to unload the vessel's cargo.
- The port authority and harbour control allocate a berth and make a visit plan for the vessel. They send this back to the shipping line.



ARRIVAL INTO HARBOUR

- The ship's Captain advises the port authority harbour control when the vessel is approaching the port.
- The harbour control tells the pilot to join the vessel. This starts the chain of actions listed in the visit plan.
- The pilot joins the vessel and takes control.
- The pilot requests clearance to enter the harbour.
- The port authority harbour control provides clearance for harbour entry and tells the pilot which shipping channel and berth to use and who the mooring company and tug operators will be.



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BERTHING THE VESSEL

- The port authority orders the tug service to meet the vessel.
- The tug service tells the harbour control when they start to tow the vessel into port.
- Harbour control tells the mooring service to be ready to receive the vessel.
- The mooring service berths the vessel.
- The harbour control records when control of the vessel is handed over to each marine service.



ARRANGE MARINE SERVICES

- Using the visit plan, the shipping line arranges the use of pilot, tug and mooring services.
- The shipping line confirms the schedule of these services with the Australian stevedore.
- The shipping line sends a Notify Movement Order Request to the port authority and harbour control with this information. This document asks harbour control to co-ordinate the start of pilot, tug and mooring services when the vessel gets close to the port.



DELIVER CONTAINER TO CUSTOMER

- When the container arrives, the distribution centre or customer confirms receipt and delivery of the container.
- The transport provider informs the importing freight forwarder that the freight has been delivered.
- The importing freight forwarder informs the exporting freight forwarder that freight has been delivered.

RETURN THE EMPTY CONTAINER

- The transport provider returns the empty container to the container park where it is cleaned and prepared for re-hire.



PERFORMING INBOUND REGULATORY SERVICES

- Customs and AQIS conduct inspections if required.
- Inspectors notify the stevedore of the outcome.
- The stevedore then tells the importing freight forwarder that the container has been cleared or that it needs to be cleaned.



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8a SORTING ROUND GAME: THE IMPORTING PROCESS

SETTLING SHIPPING AND LOCAL PORT CHARGES

- When the vessel has docked, the importing freight forwarder provides the shipping line with the Bill of Lading.
- The Bill of Lading proves that the freight belongs to the freight forwarder.
- The importing freight forwarder pays the shipping and port charges.
- The shipping line sends a delivery order to the customer and copies the information to the stevedore. The customer (or their transport provider) needs the delivery order to collect the container from the port.



EXTERNAL CONTAINER INSPECTION

- AQIS inspects the container as it leaves the terminal gate for soil or other surface contamination.
- If the containers require cleaning the importing freight forwarder arranges it with a cleaning facility.
- When cleaning is complete, the transport provider collects the container from the cleaning facility.

PERFORM ROAD TRANSPORT

- The transport provider delivers the container to the customer or their distribution centre.



UNLOADING AND STORING CONTAINERS

- The stevedores unload the container from the vessel and store it at the port terminal.
- The stevedores record the SCC of the container.
- The stevedores tell Customs the container has been unloaded.
- Stevedores make the containers available for inspection by Customs and/or AQIS personnel.



COMPLETE CUSTOMS CLEARANCE

- After inspection, the importing freight forwarder organises the payment of duty.
- Customs issue an Authority to Deal Number to the importing freight forwarder.
- Having an Authority to Deal Number means the container can be collected from the port.
- Stevedores are notified of the number and told that the container is ready for collection.



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ARRANGE ROAD TRANSPORT

- Once the Authority to Deal Number has been received, the importing freight forwarder liaises with the transport provider and stevedores to arrange road transport and a time slot to collect the container.
- The importing freight forwarder gives the transport provider the Delivery Order and delivery instructions to the customer or their distribution centre.
- The transport provider collects the container from the terminal.
- Stevedores inform AQIS when trucks leave the terminal.



OBTAIN CUSTOMS CLEARANCE

- The importing freight forwarder arranges a customs broker to make a customs declaration.
- The shipping line also sends customs details about the freight and its container on board the vessel.
- Customs sends this information and the completed Customs Declarations to the Australian Quarantine Inspection Service (AQIS).
- AQIS assess the declaration and decides whether the container will need to be held, **inspected or** cleared when it arrives in the port.
- AQIS informs Customs, the importing freight forwarder and the Australian stevedores of their decision.
- All this information is sent between parties using Electronic Data Interchange (EDI).



DISTRIBUTE SHIPPING DOCUMENTS

- The exporting freight forwarder provides the importing freight forwarder with a hard copy of shipping documentation.
- A hard copy could be sent by post mail, courier, faxed or scanned and e-mailed.
- The shipping documentation includes an invoice from the supplier, a certificate of origin for the freight, information about the packaging used and a Bill of Lading. A Bill of Lading is a **contract and** receipt for a shipment of freight. It states the vessel and intended destination.
- When the importing freight forwarder has received the shipping documentation everything **is** prepared for the freight to be shipped to Australia from overseas.

