

SUMMARY – Freight & Trade Alliance (FTA) submission to the Customs licensing review – customs brokers

31 December 2015

Customs brokers continue to provide an important role ensuring compliance with statutory requirements and provide cost effective services for Australian importers. Based on feedback received from members during focussed meetings, public webinars and in written submissions, FTA sees no advantage for any stakeholder across government or commerce by moving away from the current overarching licensing arrangements.

FTA commends the Department of Immigration and Border Protection (DIBP) for initiating the review as it provides an opportunity to streamline and improve current administrative arrangements. To that end, FTA provides the following based on feedback from recent forums, online virtual meetings and written feedback received from our membership.

- **Standardise licensing renewal timeframes across border and biosecurity arrangements**

FTA recommends that a co-ordinated approach between the Department of Immigration & Border Protection (DIBP), Australian Taxation Office (ATO) for Excise Equivalent Goods (EEG) and the Department of Agriculture & Water Resources be initiated to standardise all licensing and Approved Arrangements application and renewal processes. Streamline reporting to align application and renewal requirements across all departments with the introduction of electronic processing and the ability for industry to report changes. Savings from automation of this functionality should be passed on to industry via an appropriated reduction in application and renewal fees. FTA also recommends that all licensing be aligned to at least a three (3) year renewal period with consideration to extend this to five (5) years.

FTA recommends that consideration to be given to move away from sole trader licensing whilst maintaining individual and corporate licenses.

- **Extension of licensing to export declarations and potentially at a corporate level for cargo reporters**

The Australian Border Force (ABF) [Goods Compliance Update](#) released in December 2015 highlighted an export declaration error rate of 51 per cent for July to October of 2015 (an increase from 49 per cent since 2014-15). Strategies are required to improve compliance to allow benefits to flow for Australian exporters through Mutual Recognition Agreements and facilitation of dedicated trade lanes (export data becoming another country's import data). The integrity of export data is also increasingly becoming an important issue with alignment to global security initiatives. FTA recommends that mandatory training / continuing professional development is introduced as a part of licensing arrangements (or some form of accreditation) for individuals / corporates completing export declarations and cargo reporting.

- **Introduce transparency to the National Customs Broker Licensing Advisory Committee (NCBLAC) member selection process**

NCBLAC serves an important and ongoing function with an appropriate balance of industry and government representatives. FTA recommends a revised NCBLAC industry representative appointment process with transparency and appropriate stakeholder engagement.

- **Clarity is required in terms of how the "fit and proper" person test is applied**

The legislation sets out some set criteria (bankruptcy, crimes etc). However, it is unclear what place there is for general notions of unfitness or being an improper person. That is, are the set factors that must be considered exhaustive or inclusive.

- **A need exists to increase numbers of licensed individuals in an environment of an aging workforce and the emerging likelihood of an "experience vacuum"**

Feedback from FTA members in addressing this issue include:

- Examine the concept of "provisional" customs broker licensing upon completion of formal studies (perhaps attracting a higher than normal audit activity) with a full license granted upon demonstration of acquired experience.
- A need to assess general skills to grant a licence allowing experience to be gained in particular areas in due course with perhaps further accreditation. No different to other professions such as a lawyer, doctor or accountant who may specialise in certain aspects of their chosen fields.
- Interview process for acquired experience should give greater recognition to corporate licensed employer recommendations. NACBLAC needs to be clear and upfront of what "acquired experience" looks like and every applicant and corporate brokerage can work to that expectation.

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