

Review of all customs licensing arrangements.

The use of licences within the Customs system, and even DAWR is vital in attempting to keep control over who has access to cargo and cargo systems as part of the supply chain management. To weaken these controls places greater opportunity to those who seek to abuse the system.

While acknowledging the need to reduce red tape, it is also critical that strict controls remain in place to try and protect our community and environment.

There is scope to condense legislation where rules duplicate themselves, often because of a pre-conceived idea that each entity (e.g. S77G and S79 warehouses) has to be treated on its own.

The reality is that the 2 are not vastly different and I believe that there is scope for these types of premises to fall under one section of the Act with scope for certain individual points to be identified.

This could be said about other parts of the legislation that repeats itself on a number of occasions within the framework of sections of the Act.

Depots, warehouse and CTO's are not that different in that they deal with the release of cargo once specific criteria have been met, what is different is the position they fill within the supply chain process between the border and final delivery to the importer.

In the middle of this is the broker who prepares documents based on information gathered and then completes the process to enable release or otherwise of cargo.

There should not be a lessening of the rules governing licences, if anything, given the findings of the Compliance Report for example; there should be a tightening and even an expansion of the system.

Customs Brokers

Currently the process involves a course of study, and then an interview after making an application to Customs. There has often been commentary about the toughness of the process to obtain a licence, given the multitude of legislation that has to be obeyed, and the on-going reporting of criminal activity, this toughness is justified.

Keep in mind that other industries that are governed by "licences" are under tighter controls and much longer courses of study – law, accounting, medicine, etc.

If the government is serious about "controls" and trying to keep bad media at bay then a toughening of the rules is required. Currently there are 2 main providers of training towards the final goal and as much as there is an allowance for competition, there must be greater control from ABF on the quality of any training providers. The decision to do away with a national exam and allow acquired experience and results to form the main submission for a licence is in my mind a little lacking! Having said that, ABF made a rod for their own back by not formally checking the validity of what were the national exams – only accepting the results as their guide.

Another part of becoming a broker is the identity check for a fit and proper person, now also about to be conducted by DAWR. Ironically, as is understood, they are both slightly different and both will

have to be completed to allow a broker to operate. Madness gone wrong, there has to be a one only approach to this matter that satisfies both ABF and DAWR! A great example of redundant red tape.

There seems to be a consideration from ABF that NCBLAC may or may not need changing. This serves a very real and important service for ABF. From an improvement point of view is there a need for rotating additional persons on/off the committee to assist or offer other points of view during the interview process – perhaps ABF feels the current team maybe a little “stale”. Is consideration being given to conducting more interviews through electronic media or is it considered that face to face is better? Personally I think face to face should be done in as many cases as possible as you then get a true picture of the person you are talking to.

Depots and Warehouse

From a legislation point of view consideration should be given to combing them under one section of the Act with suitable clauses within the section to assist in defining the role/rules for each type. Especially given that 75% of the rules that apply are across all types of warehouse.

Currently there is a licence issued to the warehouse holder at a senior management level, not always the warehouse manager, often under the branch manager or even the CEO of a company. This creates huge wholes within the system through which mistakes fall.

Whilst there are instructions about staff training etc. within the operation, there is no formal qualification that staff need to attain. There must be an increase in the responsibility mechanism with all types of warehouses. The only accreditation at the moment is via DAWR under the QAP training currently available, although again, re-accreditation is not possible.

It is my belief that all staff involved with depot/warehouse must undergo accreditation through a registered training organization, with on-going renewals each year. Given the significant rise of issues documented on the Compliance Report it is clear that staff within these organizations still do not fully appreciate the role that they play within the supply chain?

Currently the only licences that come close to protecting revenue are brokers, why is, because it has been legislated what it takes to become a broker and then legislated what it takes to keep your licence.

All other licences are for the building/land and signed for (in most cases) by people who are not at an operational level and therefore do not have direct control/influence.

The control/influence is left to a warehouse manager who does not have to undergo any formal training on the responsibilities of the warehouse! Sure he may be instructed and/or show but unless they have to undertake formal accreditation then things are not always looked at in a way that they should be.

There has to be a tightening of warehouse licences and the staff that operate under them. Accreditation will be the way to go. You can have both licence holders and accredited persons within an organization; you certainly do not want to get rid of the current licences as I believe that it “diminishes” the responsibility that some people see.

Regulatory Burden

What is that the ABF is trying to achieve? They need to be sure that the person/corporate that they are giving licences to can assure them that they fully intend to act in accordance with the rules and that they have the ability (financial or otherwise) to accommodate what holding a licence means.

To that end full and accurate information must be obtained to ensure that the ABF is satisfied with the people applying. There is possibly some room to move to make changes given the change in how business is done these days – more by electronic methods and less by hard copy, with the latter probably getting less and less in the coming years. This will then mean adding the security and robustness of EDI systems through which data will travel to allow movement of cargo.

Duration of a Licence

The current period of 3 years for brokers should stand – especially given that there is mandatory CPD training during this period. This then reflects on the professional attitude of brokers and the understanding they have for the position they hold.

For depots/warehouses that currently have no “accreditation” process in place for operators, renewing yearly is a small step to try and ensure that they behave responsibly. However, should there be an adoption of a yearly accreditation process for operators then ABF could look at extending them to 2 years.

The renewal process should be Jan to Dec for warehouses, on the basis that if all licences come up for renewal at the same time, given that this is still done manually at the moment, this will place an undue burden on the resources of the ABF to manage this efficiently.

One of the biggest changes that could be made to improve licencing is to have the entire process done electronically with documents attached as required during the process. This can be done through secure registration/log in and would then create a data base that ABF would actually find useful.

It would then speed up renewals, changes to management, changes to staff, records of accreditation etc.