

Customs 'on track' to meet Government Internet objective

In 1997, as part of the Government's Online Strategy, the Prime Minister undertook to ensure that, as far as possible, all Federal agencies would provide appropriate government services via the Internet by 2001.

As one of the first federal agencies to introduce computer processing into its operations and to successfully use the Internet to interface with the business community, Customs is not only "on track" to meet the Government's objective, but is also enthusiastically committed to it.

In October 1972, Customs introduced INSPECT - its Integrated National System for Processing Entries from Customs Terminals. It was the world's first, nation-wide, "real time" system for computer processing of Customs entries relating to air and sea cargo. The introduction of INSPECT followed an intensive four-year feasibility study which commenced in 1968.

Other computer and Internet initiatives have followed this ground-breaking initiative. Customs most recent initiative is Cargo Management Re-engineering (CMR). This involves not just the adaptation of innovative computer and Internet systems to Customs purposes, but also a comprehensive restructure of Customs internal business practices.

Other factors influencing the introduction of CMR are:

- the rapid expansion in Internet use by business,
- the globalisation of international trade, and

- a strong commitment by the Federal Government to arrest the flow of illegal drugs into Australia under the Prime Minister's National Illicit Drugs Strategy.

In a recent speech to a business group, Customs National Director Office of Business Systems, Jenny Peachey, said that international forums were also influencing the direction that Australia takes in its trade policy and how Customs develops its national cargo management systems.

"To help meet one of our key roles, that of facilitating trade, Customs takes part in a broad international agenda involving interactions with a number of forums, which aim to harmonise e-commerce developments," Ms Peachey said.

"For example, Customs is working with other Australian departments involved with APEC to accelerate the drive towards "paperless trading". (See Australia embraces e-commerce on page 5 for details.)

"The United Nations has estimated that an average international trade transaction involves approximately 30 different parties, 40 documents and the re-keying of approximately 70 per cent of the data involved at least once.

"Recognising the benefits of paperless trading, Customs fully supports the Government's ambitious Internet agenda and intends to have its business services fully available over the Internet by the end of 2001.

"Customs has always worked hard to ensure its cargo management

systems meet government and industry demands.

"In the late eighties and early nineties, standard electronic data interchange (EDI) systems were in their infancy and we worked with industry to design home-grown systems to best meet our needs.

"Our current EDI systems first went into production in 1989. We now have COMPILE for interactive import entries, EXIT for export declarations and cargo reporting, air and sea cargo automation, and EDIFICE (EDI for Customs entries).

"These electronic initiatives replaced manual and paper transactions in the import/export industry with electronic messaging. This allows the Australian trading community and Customs to take advantage of international developments in electronic data interchange (EDI). Electronic Funds Transfer (EFT) is now used almost exclusively for Customs duty payments and non-deferred GST on imports.

"Customs has both interactive and EDI systems and we process messages from clients in a variety of formats - the two main ones being UNEDIFACT and the airline industry's CargoIMP."

So why re-engineer it all?

"That's a good question," says Ms Peachy. "Particularly when Australian Customs processes and systems are already providing a timely service to industry. However, as far back as 1996 it was recognised that broad-based enhancements to Customs systems, procedures and practices were becoming essential.

"Despite the high level of performance of Customs systems, they were unlikely to be able to

meet all the challenges we predict for the future. Many of our systems were developed at different times to meet different needs. They're a mix of interactive and EDI systems.

"Our client groups also use many different systems and message formats and we are now keen to encourage business to also standardise its systems as far as possible. The outsourcing of Customs IT facilities presented an opportunity to integrate and modernise Customs IT applications and business systems through CMR.

"CMR has been designed to meet industry's demands for a single 'window' into government; to streamline our internal processing; as well as to fulfil the Government's need for accurate statistics, community protection, revenue collection and to provide Internet access to its services.

"To achieve all of this, CMR will integrate all the existing Customs business and electronic systems to the one single cargo management 'environment'.

"The core theme of CMR is to introduce flexible processes based upon risk management principles. In short, in today's e-commerce environment, our technology should be as modern as possible but we must also ensure that our business processes are in harmony with the needs of both industry and government.

"With CMR, we have recognised the need to totally re-engineer our whole approach to our business and electronic systems - not just convert our current business systems to operate via a new technology."

