

Cargo model balances needs of industry and government

Earlier this year Customs released the Cargo Management Re-engineering (CMR) Business Model. The Model sets the direction for Customs cargo management policy for the next decade and more.

Customs developed the Model in partnership with the Australian Quarantine and Inspection Service and its release in March 2000 followed extensive consultation with industry and relevant government agencies.

The Model responds to both industry and government needs in relation to cargo management. It is designed to deliver for industry its requirements for flexibility in approach, low costs, minimum data requirements and a "one stop shop" to cargo regulating agencies. The Model also delivers the government's needs with the capability to identify high-risk cargo prior to its arrival in Australia.

The Model balances the competing needs of government and industry.

While the Model serves as a strong starting point from which to develop the necessary procedures and IT applications it does not mean that Customs no longer consults with

industry and government agencies about CMR. Customs continues to work closely with industry and government agencies to develop the business practices, legislation and IT systems needed to support CMR. That consultation has already identified aspects that could more closely reflect commercial practice and Customs has responded by re-examining and refining the policy outlined in the Model.

The defining feature of the CMR is flexibility. CMR moves Customs away from its current policy of "one size fits all" with the introduction of the Accredited Client Scheme. CMR will, for the first time, also provide businesses with options in how they wish to communicate with Customs.

The Accredited Client Scheme will commence subject to amending legislation being passed by Federal Parliament. The Scheme will allow Customs to tailor import and export procedures for those businesses that have met the Scheme's entry criteria. The Accredited Client arrangements will initially focus on importers and exporters but will be expanded over time to include service providers such as Customs brokers and freight forwarders.

The Customs Connect Facility will provide options for industry in how businesses can communicate with Customs, including direct connection for businesses with a high number of import or export transactions as well as an Internet-based facility for lower volume users of Customs systems.

CMR also introduces significant improvements to Customs IT capabilities which will allow the agency to move with the global trend toward greater use of electronic commerce. The IT changes will also improve Customs capabilities to identify high-risk goods as part of the Government's fight against drugs.

Other changes to be introduced through CMR include:

- streamlining of the requirement for underbond movements;
- an option for combined presentation of cargo report and declaration information;
- integrating Customs systems; and
- new compliance monitoring and improvement arrangements based on administrative and legislative sanctions.

The development work for CMR is still in its early days. Customs estimates that much of the development work for CMR will be in place by the latter part of 2001 with some aspects, such as the Customs Connect Facility, delivered earlier.

The CMR Business Model describes in more detail the initiatives under CMR. The Model can be obtained direct from Customs or accessed through the Customs homepage at www.customs.gov.au. Further information on the proposed Accredited Client Scheme also is available from Customs.