

Trade Modernisation—a significant reform

By Diane Lavella

The legal framework for a more modern and streamlined approach to processing cargo is now in place with the Customs international trade modernisation legislation package passed by Parliament on 26 June.

The legislation provides the base on which to create a flexible electronic business environment, enhancing the efficiency of Customs services to importers and exporters.

The legislation will be implemented by Customs over the next two years and its introduction will be linked to the phased release of the new Integrated Cargo System.

The phases enable Customs and industry time to work together to adapt to the new processes and information technology systems, allowing for the smooth introduction of the Customs cargo management re-engineering project.

Customs expects to begin trialing release 1 of the Integrated Cargo System with industry in April 2002.

In a letter to industry, the Minister for Justice and Customs, Senator Chris Ellison, said the passage of the legislation through Parliament was a major milestone for cargo management reform.

“It is the most significant reform for Customs since Federation,” he said. “It will revolutionise cargo movement processes, bringing substantial benefits for Australia as a trading nation.

“These include reduced processing and handling costs, increased cash

flow, improved transit times on the docks and a choice of communication systems for reporting that will slash red tape.

“It will also provide flow-on benefits for the broader community by improving Customs capacity to fulfil its dual role of facilitating trade and border protection.

“The new system will give Customs an improved capacity to identify and assess high-risk cargo, to detect illicit drugs and more quickly process low-risk cargo.”

During the debate by the Senate, the Government agreed to a number of amendments to the Trade Modernisation Bill.

Amendments included:

- A requirement for the Chief Executive Officer to make guidelines for the administration of the infringement notice scheme and for these guidelines to be tabled in Parliament (Parliament, after scrutiny of the guidelines, can disallow them);
- Customs to consult with industry before notices pursuant to section 126D are gazetted;
- A requirement to give occupiers written notice of their rights and obligations before monitoring powers are exercised
- Allowance for the possibility of different reporting dates to be prescribed in regulations under the Accredited Client Program.
- Removal of strict liability for offences relating to breaches of administrative procedures such as failure to:
 - keep or produce records or



- commercial documents;
- answer some questions;
- communicate with or make electronic payments to Customs after information systems failure;
- report about stores and prohibited goods.

Strict liability was retained for offences that are:

- a transition from the current Customs Act;
- essential to protect the integrity of the revenue base;
- or support community protection objectives

In addition to the amendments, the Minister for Justice and Customs endorsed the following recommendations from the Senate Legal and Constitutional Legislation Committee:

- Customs officers with a delegated authority to issue infringement notices will be required to satisfactorily complete a training course for that purpose;
- The issuing of infringement notices will be monitored internally through an annual audit process and the statistics derived from that audit process included in the Annual Report;
- Customs will undertake further consultation with industry in relation to the commencement of the new electronic arrangements for communicating with Customs under cargo management re-engineering to ensure that industry is given sufficient notice of the kinds of information standards it will be required to have to operate competently within the new system and;
- That the operation and implementation of the legislation

be reviewed and reported on within three years of the date the legislation receives the Royal assent.

