

# **AUSTRALIAN CUSTOMS SERVICE: WORKING TO IMPROVE FACILITATION OF INTERNATIONAL TRADE AND THE SECURITY OF THE SUPPLY CHAIN WITHIN THE APEC REGION**

*Andrew Hosking*

## **Abstract**

---

Australian industry involved in international trade wants predictability, speed and efficiency in the movement of cargo. If industry's legitimate expectations are unreasonably compromised community support will be lost. In meeting the needs of industry, the challenges faced by any customs administration in the 21st century are multi-faceted, however the fundamental role is community protection, and to prevent prohibited, harmful or illegal goods or people from entering their economy.

Australian Customs is actively pursuing improvements in the facilitation of international trade, the security of the supply chain and community protection through major initiatives and implementation strategies consistent with the World Customs Organization's (WCO) Framework of Standards to Secure and Facilitate Global Trade (SAFE Framework of Standards).

---

## **Authorised Economic Operator (AEO)**

In response to international developments in supply chain security, Australian Customs has established an Authorised Economic Operator (AEO) pilot program based on the model provided by the World Customs Organization (WCO), through the adoption of the WCO's Framework of Standards to Secure and Facilitate Global Trade, known as the 'SAFE Framework of Standards' or 'SAFE Framework'.

In late 2006, five companies agreed to work in collaboration with Australian Customs to assist in testing the foundations of an operational AEO program and to explore future opportunities for trade facilitation built on a platform of security conformance.

As part of the AEO pilot program, Australia and New Zealand have agreed to collaborate with the trading community to look at how a Trans-Tasman Supply Chain Security arrangement, and the mutual recognition of an AEO, can be turned into a reality.

## **Asia-Pacific Economic Cooperation (APEC) Sub-Committee on Customs Procedures Single Window Working Group**

The Asia-Pacific Economic Cooperation (APEC) Sub-Committee on Customs Procedures (SCCP) Single Window Working Group (SWWG) was chaired by Australian Customs for the APEC 2007 meetings.

---

## **International Network of Customs Universities**

---

The SWWG has developed a single window 'Strategic Plan' and a single window 'Development Report' incorporating contributions from all 21 APEC economies. The involvement by all 21 APEC economies is indicative of the importance that economies at all stages of development are placing on building single windows to facilitate trade.

The initiative builds upon solid work that Association of Southeast Asian Nations (ASEAN) countries have undertaken in developing the ASEAN Single Window and that organisations such as the World Customs Organization and United Nations Centre for Trade Facilitation and Electronic Business (UN/CEFACT) have completed in setting relevant international standards. The challenge for all APEC economies now is to move forward from the 'Strategic Plan' and prepare a roadmap and implementation plan to achieve the single window vision.

## **Australian International Trade Single Window**

The International Trade Cluster (ITC) was the Australian Customs-led component of the Standard Business Reporting (SBR) Program led by Treasury. The program is in response to the report 'Rethinking Regulation: Report of the Taskforce on Reducing Regulatory Burdens on Business' (known as the 'Banks Report') submitted to the Government on 31 January 2006.

The ITC was established on the preliminary work of the Australian Customs-led Standardised Data Set (SDS) that established that over 41 agencies directly collect trade-related data from industry. The SDS, a precursor to the development of any single window functionality, demonstrated the potential to develop a harmonised international trade data standard to enable the linking of trade data across government and industry, and to facilitate data reuse and pre-population. The SDS is based on the World Customs Organization (WCO) Data Model and the United Nations Trade Data Elements Directory (UNTDDED).

The SBR program objective was to measurably reduce the regulatory reporting burden of industry through the elimination of duplicated data entry and by maximising the re-use of information across government agencies.

As a result and consistent with Australia's commitment to implement the SAFE Framework of Standards, Australian Customs has formed an International Trade Single Window (ITSW) Project team to research and consider global electronic trade initiatives and investigate current projects to assist in the preparation of an electronic trade vision and strategy paper. The paper will examine ways to position Australia and Australian businesses to take advantage of emerging global trends. Underpinning this 'vision' paper, Australian Customs will conduct several proof-of-concept trials that will provide practical outcomes for Government and propose development options for the future.

Given this environment and with the concept of 'reducing reporting burden' at the forefront of the strategic development, Australian Customs will work together with other trade-related Government agencies, overseas Customs administrations and interested industry representatives to test electronic trade processes based on the use of international data standards. The results of this activity and the outcomes of a number of other pilot projects currently under way, will directly inform and impact on the vision and strategy development.

## **Conclusions**

These initiatives involve cooperative arrangements between customs administrations and other government agencies involved in international trade. They aim to facilitate the seamless transfer of international trade data and to exchange risk intelligence at both the domestic and international level. This will allow the importer or exporter (or agent) to electronically submit the required information once (the international trade single window concept) to a single designated authority (in Australia, this would be Australian Customs) while at the same time securing the supply chain.

Australian Customs and the international trading community in Australia are well advanced with regard to the first three core elements of the SAFE Framework of Standards, that is, advanced electronic cargo reporting, application of risk management, and non-intrusive examination of cargo.

Our focus is now on developing partnership arrangements between Customs and the business sector to support supply chain security. In addressing implementation of the SAFE Framework of Standards, Australian Customs is ensuring the Australian AEO program achieves the complementary goals of improving security over international trade while at the same time facilitating the legitimate movement of goods.

The success of the initiatives is reliant on the recognition that these complementary goals can only be achieved through cooperative arrangements between government and industry. Trade in the APEC region continues to grow and Australia's geographic location as an island nation poses particular challenges in managing the security of the supply chain. Supply chain security is and must remain a joint responsibility between the government and the operator.

Australian Customs recognises the opportunity that is created by working more closely with other customs administrations. It encourages the sharing of information between administrations as a key facilitator in customs services around the world delivering on their mandate to facilitate legitimate trade while maintaining border security.

### **Andrew Hosking**



Andrew Hosking is currently National Manager for the International Trade Single Window Branch with Australian Customs in Canberra. He has been with Customs for 34 years and has worked in a range of areas in Canberra including in Human Resources, Tariff and the ACT Sub-Collectorate, as well as in Investigations in Sydney, before heading abroad as the Senior Australian Customs Representative in Washington, DC in the early 1990s. Subsequently, he began a posting with the US Department of the Interior, based in San Francisco, as the Australian Customs Liaison Officer before returning to Australia in 1996. Since his return to Australia, Andrew has worked in Sydney in Commercial Compliance, Exports and Compliance Assurance prior to a move to Cairns in 2004 as Director Regional Queensland. Andrew returned to Canberra in early 2007 as National Manager Trade Policy and Regulation prior to his current engagement. Andrew has a Master of Management from the Macquarie Graduate School of Management.

