

**Department of Immigration and Border Protection  
Additional Estimates – February 2016**

**FAS Traveller, Customs and Industry Policy Back Pocket Briefs**

**Customs Licensing Review**

**Key Talking Points**

- The Department of Immigration and Border Protection (the Department) is undertaking a comprehensive review of all licensing arrangements under the *Customs Act 1901* (the Act) relating to depots, warehouses and customs brokers.
- The key objectives of the Review are to:
  - review the role of licensing in today's border management environment; and
  - improve the arrangements of the regime.
- Terms of Reference and a Discussion Paper for the review were publically released on 2 November 2015, with interested parties invited to make written submissions.
- Submissions closed 31 December 2015, with 33 written submissions received.
- The Review is scheduled to be completed by June 2016.
- Relevant government agencies and industry are being consulted during the Review.
- The Department is considering all submissions received and will engage with stakeholders to discuss their opinions.
- This review presents an opportunity to improve processes for both industry and the Australian Government that balances both facilitation and enforcement.

**"If asked"**

- *Why is a review of licensing arrangements necessary?*
  - It has been over 15 years since the last comprehensive review of depot licensing provisions and over 30 years since the warehouse and customs broker licensing provisions were reviewed.
  - During this time there have been significant changes to the context in which depots, warehouses and customs brokers are licensed including: advances in information technology, general business practices and the way in which international trade is conducted.

- *What consultation will there be during the Review?*
  - The Review has been widely publicised through media channels, including inviting interested parties to make written submissions in response to the Terms of Reference and Discussion Paper released on 2 November 2015.
  - The Department has formed a working group comprised of representatives from the Department, the Australian Taxation Office (ATO) and the Department of Agriculture and Water Resources (DAWR).
  - The purpose of the working group is to provide an opportunity for relevant areas of the Department and government agencies to work together, and contribute ideas on how the current licensing regimes could be improved or changed.
  - The Department will also consult with industry stakeholders who have made submissions to better understand their issues and suggestions for improvement.

## Background

- A "Review of Licensing Provisions" was prepared by the Centre for Customs and Excise Studies, Charles Sturt University, on behalf of the Australian International Trade and Transport Industry Development Fund in July 2014 (CSU Report).
- The CSU Report made a number of recommendations relating to the licensing regimes under the Act.
- The Department acknowledged that a review of all licensing regimes was needed, given significant changes in the business and regulatory contexts over the past few decades and the Government's deregulation agenda.
- A review of the role of licensing regimes will impact on the Department and other government agencies (in terms of legislation, administrative processes, and resources including IT) as well as on industry.
- The Review will be supported by the ATO which administers excise equivalent goods (EEGs), including EEG warehouse licences on behalf of the Department.
- The Freight and Trade Alliance (FTA) have publicly stated the review could threaten existing business models, but that it also provides an opportunity to improve processes for industry.
- We will continue work with industry to understand and address any issues that have been raised.

Responsible Officer	Contact Officer
<p>John Gibbon</p> <p>Ph: s22(1)(a)(ii)</p> <p>Mob s22(1)(a)(ii)</p>	<p>s22(1)(a)(ii)</p> <p>Ph: s22(1)(a)(ii)</p> <p>Mob s22(1)(a)(ii)</p>



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**Department of Immigration and Border Protection  
Estimates – May 2016**

**FAS Traveller, Customs and Industry Back pocket briefs**

**CUSTOMS LICENSING REVIEW**

**Key Talking Points**

*Why has there been a delay to the licensing review*

- There hasn't been a delay but an extension to the timeframe to allow us to further collaborate with industry and test our initial ideas and directions prior to releasing draft recommendations.
- Industry is supportive of this extension.
- The Department recognises the importance and complexity of this review and the potential it offers for significant reform to reduce the regulatory burden on industry.
- The 37 submissions we received raised a large number of issues and expressed a variety of views. Many of them proposed significant changes to the existing regimes.
- The new timeframe allows us to work more closely with industry to understand their issues and suggestions.
- It also allows us to share with industry an early exposure draft of the recommendations and get their feedback on our initial thinking. This is obviously very important.

*What are the new timeframes?*

- The draft recommendations will now be publically released on 11 July 2016 (previously 14 April 2016).
- The final report will now go to the Comptroller-General of Customs on 31 August 2016.
- This is an eight week extension.

**"If asked"**

- *Is industry supportive of the review?*
  - Industry welcomed the review and has welcomed the extension.
  - Industry has embraced every opportunity to work with us on this review and contribute ideas on how the licensing regimes could be improved. We are grateful for their input.
- *Why is a review of licensing arrangements necessary?*
  - It has been over 15 years since the last comprehensive review of depot licensing provisions and over 30 years since the warehouse and customs broker licensing provisions were enacted.

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- During this time there have been significant changes in the context and the environment in which depots, warehouses and customs brokers are licensed including: advances in information technology, general business practices and the way in which international trade is conducted.
- *What consultation has there been during the review?*
  - The commencement of the review was widely publicised through a range of mediums including advertising in national newspapers, direct emails and updates on the Department's website.
  - All interested parties were invited to make written submissions in response to the Terms of Reference and Discussion Paper which were released on 2 November 2015.
  - A significant number of interviews, focus groups, telephone discussions and visits to industry and government stakeholders have occurred.
  - This consultation has allowed us to gain an understanding of the diverse range of issues, perspectives and suggestions contained in the 37 submissions.
  - Comprehensive workshops with key industry stakeholders will occur in May. These will allow us to test our initial thinking and the direction of our early draft recommendations.
  - In addition the Department formed a working group comprising of technical representatives from the Department, the Australian Taxation Office (ATO) and the Department of Agriculture and Water Resources (DAWR).
  - The working group provides an opportunity for relevant government stakeholders to work together and contribute ideas on how the current licensing regimes could be improved or changed from a whole of government perspective.

## Background

- In November 2015, the Department announced it is undertaking a comprehensive review of all licensing arrangements under the *Customs Act 1901* (the Act) relating to depots, warehouses and customs brokers.
- Terms of Reference and a Discussion Paper for the review were publically released on 2 November 2015, with interested parties invited to make written submissions.
- The key objectives of the review are to:
  - review the role of licensing in today's border management environment
  - assess the efficiency and effectiveness of the current licensing arrangements



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- make recommendations for improvements to the regimes.
- 37 written submissions were received from a range of stakeholders including peak bodies, industry representatives, individuals and other Government departments (e.g. DAWR and the ATO).

#### *Extension to the timeframe*

- The review was scheduled to be completed by June 2016.
- The Project team raised the prospect of an extension with industry early in the consultation process. Industry was fully supportive.
- On 6 April the Department extend the review timeframe by eight weeks to allow more comprehensive collaboration with industry.
- Industry was formally notified on 12 April, through emails to those that made submissions and updates to the Department's website.
- Revised review timetable is below

2 November 2015	Terms of reference and discussion paper released (completed)
31 December 2016	Submissions closing date for stakeholders to lodge submissions (completed)
11 July 2016 (originally 14 April)	Draft recommendations publically released for comment
25 July 2016	Closing date for stakeholders to lodge comments on draft recommendations
31 August 2016 (originally 30 June)	Report and recommendations submitted to the Comptroller-General for consideration

#### *Impetus for the review*

- Different elements of industry have long requested a review of this nature.
- A "Review of Licensing Provisions" was prepared by the Centre for Customs and Excise Studies, Charles Sturt University, on behalf of the Australian International Trade and Transport Industry Development Fund in July 2014 (CSU Report).
- The CSU Report made a number of recommendations relating to the licensing regimes under the Act.
- Following this the Department acknowledged that a review of all licensing regimes was needed given significant changes in the business and regulatory contexts over the past few decades and the Government's deregulation agenda.
- The review is being supported by the ATO which administers and licenses Excise Equivalent Goods on behalf of the Department.

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*Industry's position*

- Industry as a whole is very keen for change and welcomed the review. It also welcomed the extension.
- Industry does not share a single vision for the future regimes – submissions have contained very diverse points of views and suggestions.
- Some submissions reflect a self-interested desire to protect elements of the status quo.
- The Project team is in the process of scheduling individual workshops with key industry representatives – these will happen over the first three weeks of May.
- We will also be engaging with the smaller entities and individuals that made submissions through round table workshops.

*Anticipated outcomes*

- This is a very complex piece of work, covering three separate licensing regimes. The current regimes are well embedded, being altered little in the last few decades.
- The recommendations will provide a roadmap for future design activity to make reform a reality. This has been expressed to industry.
- It is anticipated that many of the recommendations will be to undertake more targeted design work with industry and other government stakeholders (e.g. recommendations to develop a single licensing/accreditation with DAWR).
- This design activity will be undertaken in partnership with industry.

**Responsible Officer**

Linda Geddes

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**Australian Government**  
**Department of Immigration  
 and Border Protection**



**Australian  
 BORDER FORCE**

# STRATEGIC ISSUES BRIEF

<b>Subject</b>	<b>Customs Broker integrity vulnerabilities</b>
<b>Last update</b>	22 September 2016
<b>SIM contact</b>	s22(1)(a)(ii)

s22(1)(a)(ii)

## ISSUE & PURPOSE

This document has been prepared at the request of the Secretary to consolidate information relating to the issue of Customs brokers, their licensing, s22(1)(a)(ii).

Further discussion between the Commissioner, acting Deputy Commissioner Support and First Assistant Secretary Executive Division, on 7 July 2016, identified several specific areas of focus, s22(1)(a)(ii) which are detailed below.

s22(1)(a)(ii)

This document covers:

s22(1)(a)(ii)

### 3. Broker licensing reform

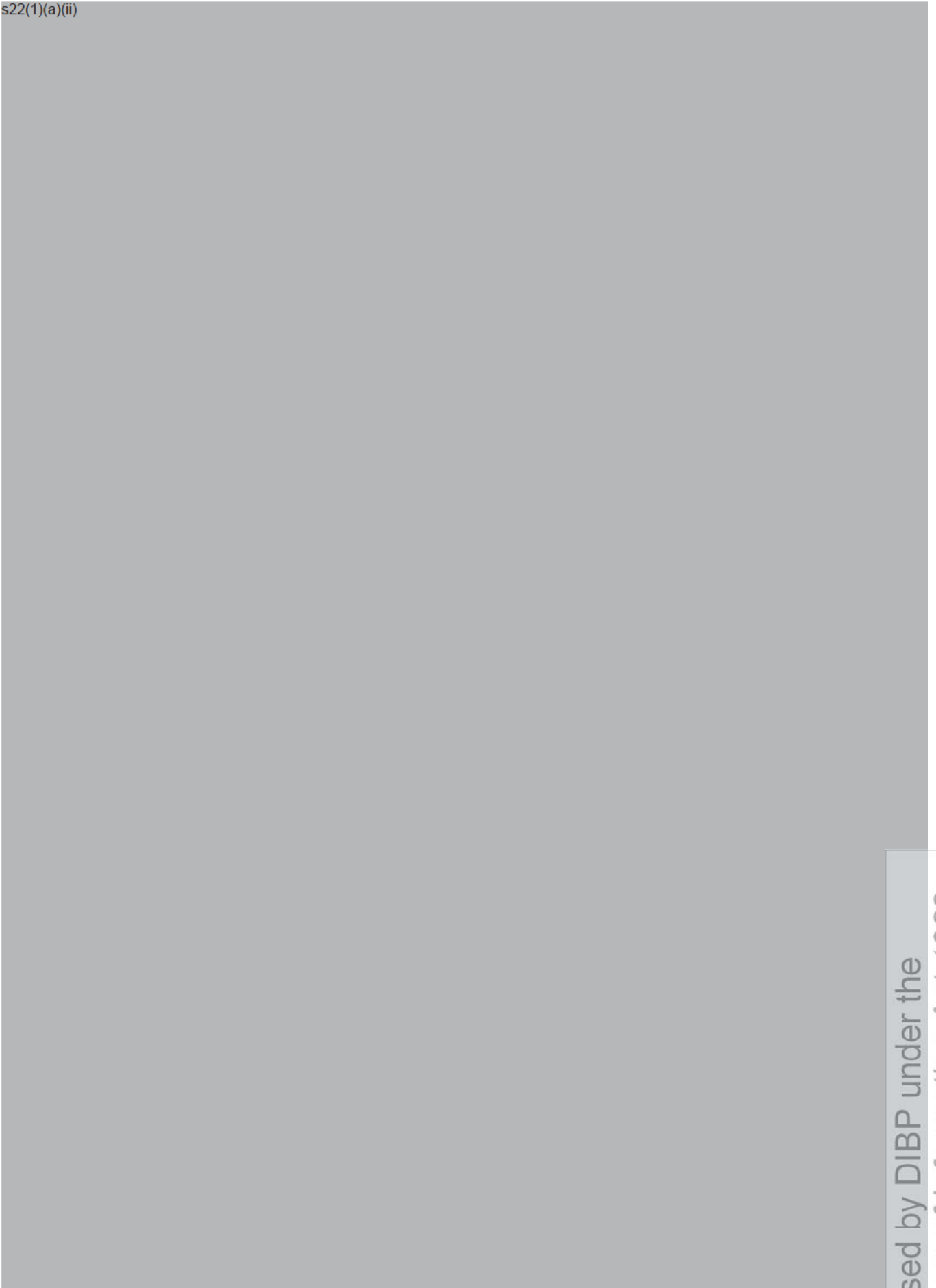
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s22(1)(a)(ii)



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s22(1)(a)(ii)



### 3. Broker licensing reform

In November 2015, the Department announced a comprehensive public review of all customs licensing regimes provided for under the *Customs Act 1901*, i.e. depots, warehouses and brokers. The review focussed on improving, deregulating and streamlining the licensing frameworks and regimes.

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The key objectives of the review were to:

- i. review the role of licensing in today's border management environment
- ii. assess the efficiency and effectiveness of the current licensing arrangements and
- iii. make recommendations for improvements to the regimes.


Thirty-seven (37) written submissions were received from a range of stakeholders including peak bodies, industry representatives, individuals and other Government departments (e.g. Department of Agriculture and Water Resources, and the Australian Tax Office). The Department worked closely with industry to understand and address the issues that were raised.

On 11 July 2016, the Department decided that it would re-consider the scope of the licensing review, given recent media coverage of associated issues. Subsequently, the Department has broadened the scope of the review and will work in collaboration with industry partners to identify options to strengthen the integrity of the licensing regimes against corruption and infiltration. The forward work plan is currently being finalised with workshops with industry to commence in the next few weeks.

These options may relate to processes and procedures for assessing the suitability of an applicant, guidance provided to licence holders, ongoing monitoring and assessment of licence holders and processes and procedures for managing integrity referrals relating to a customs broker.

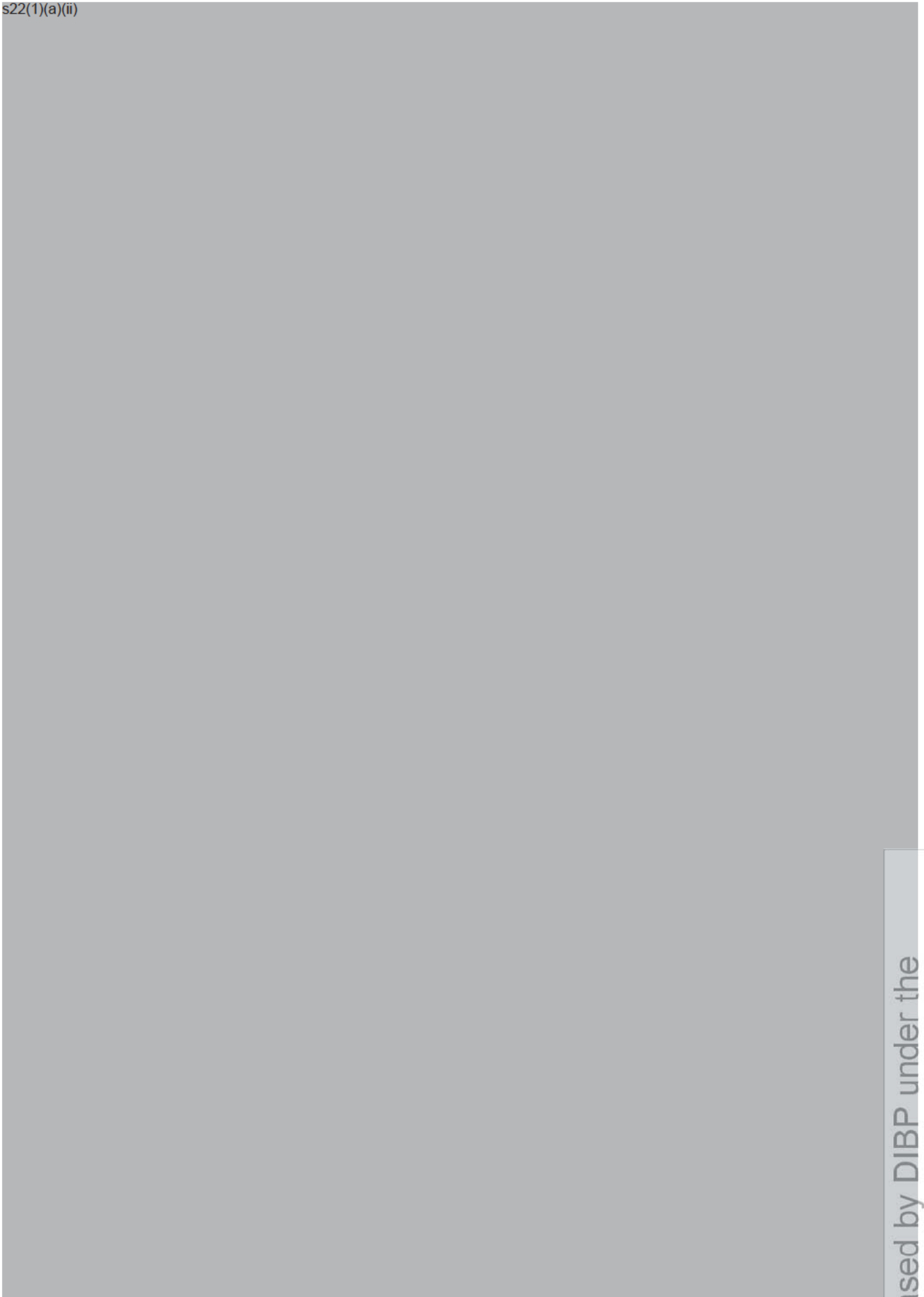
Industry consultation on options to strengthen the integrity of the licensing regimes will inform the development of an integrated national licensing regime and associated compliance and enforcement model.

s22(1)(a)(ii)

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s22(1)(a)(ii)



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s22(1)(a)(ii)



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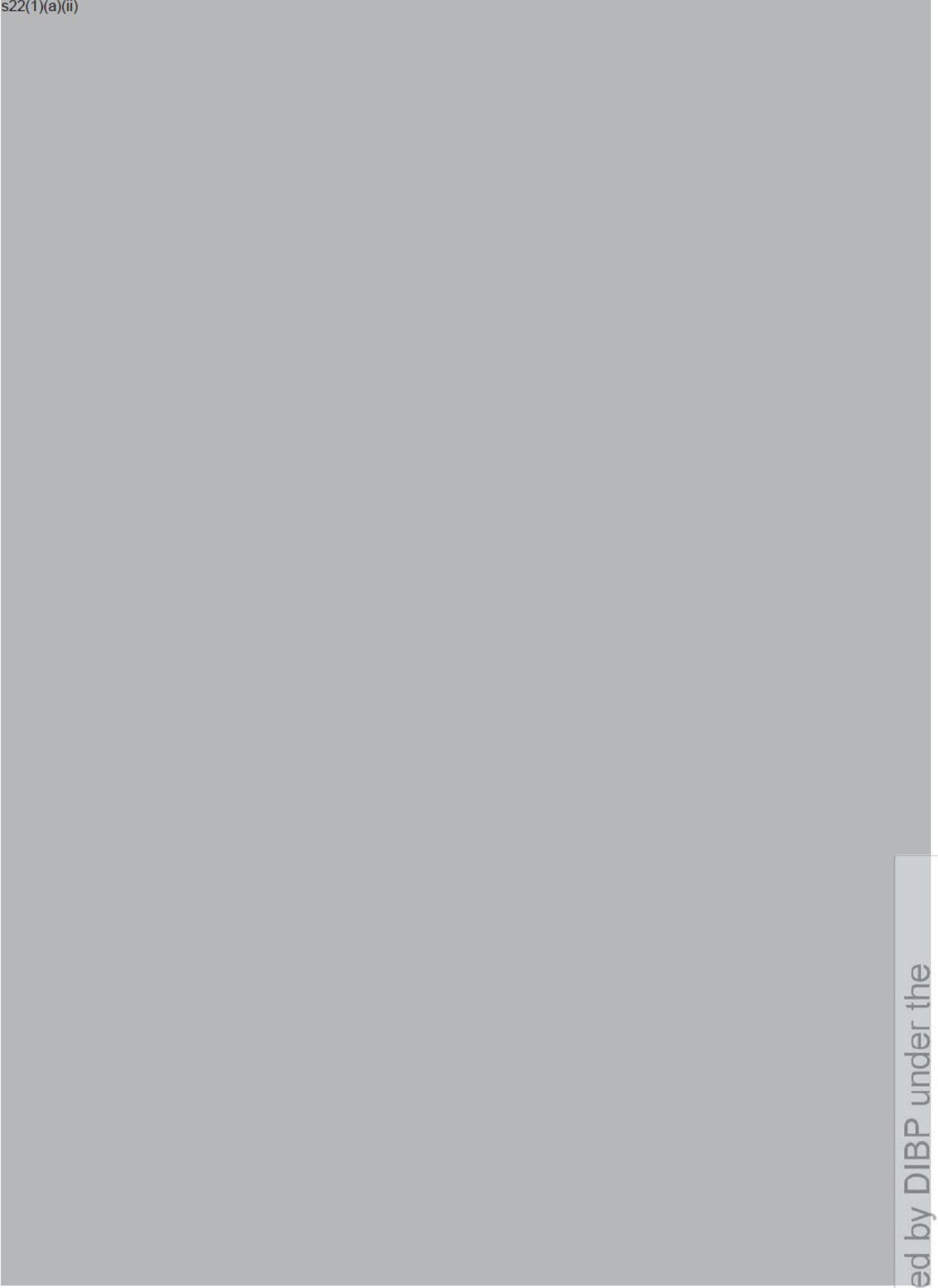
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## MEETING BRIEF

To: Genevieve Watson, Assistant Secretary, Trusted Trader and Industry Engagement  
 Through: s22(1)(a)(ii) Director, Industry Engagement and WCO

<b>Meeting Date:</b> 20/12/2016	<b>Meeting Time:</b> 09.30 – 11.30
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### CUSTOMS BROKERS AND FORWARDERS COUNCIL OF AUSTRALIA (CBFCA) MEETING

#### Key issues

1. s22(1)(a)(ii)

2.

3.

4.

5.


6. The CBFCA current topics of interest include:

s22(1)(a)(ii)

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s22(1)(a)(ii)




d. Update on customs brokers policy, including the Licensing Review

- A workshop held on 25 November 2016 sought industry's inputs and insights into risks, vulnerabilities and options to strengthen the licensing regime to ensure we have a holistic and integrated system in place. The CBFCA attended this workshop.
  - The CBFCA has lodged a FOI request seeking the release of all submissions received and all internal reports, briefing and documents relating to the licensing review. The request is currently being prepared by the Department.
  - Prior to the FOI request being received the Review Team had initiated the process to have all submissions published on its website.
- : On 24 November 2016, 22 submissions were published.

7. Customs Compliance branch has requested that if Mr Begley raises any Trade and Goods Compliance operational matters that you encourage him to contact Commander Erin Dale.

s22(1)(a)(ii)



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<b>CONTENT PROVIDED BY:</b>	Trusted Trader and Industry Engagement Branch; Trade and Customs Branch; Traveller Branch
<b>CONSULTATION:</b>	Trusted Trader and Industry Engagement Branch; Trade and Customs Branch; Traveller Branch
<b>DATE:</b>	13 November 2016

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