



# ICS User Representative Newsletter

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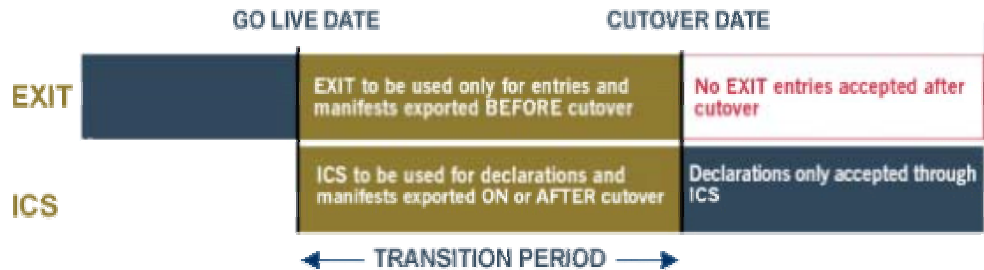
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*"a cutover date has been set for the transition from EXIT to CMR"*

## Exports

As reported in my last newsletter, a cutover date has been set for the transition from EXIT to CMR. Here is an extract from the Customs media release:

From 22 September 2004, a two-week transition period will be provided. During the transition period, the existing system EXIT and the export component of the ICS will both be operational. The transition period will conclude on 6 October 2004. At cutover EXIT will no longer be available and all export reporting must be completed through the ICS.



*"There are several steps that industry must take in preparation for the cutover to the new Exports system in October"*

## How do I Prepare for Exports?

There are several steps that industry must take in preparation for the cutover to the new Exports system in October.

- 1) Ensure in-house or third party software developers have undertaken testing of their updated software and have scheduled a roll out with your organisations IT team.
- 2) Have appropriate staff attend the Customs refresher workshops on Exports. These workshops will update information previously provided by Customs and highlight some process changes surrounding registration for the ICS. The final hour of the workshop will be facilitated by the CBFCA and AFIF and will provide

a question and answer session providing opportunity for participants to pose questions to Customs and industry representatives. Dates and content for the sessions can be found here:

[http://www.customs.gov.au/site/page.cfm?area\\_id=7&nav\\_id=2037](http://www.customs.gov.au/site/page.cfm?area_id=7&nav_id=2037)

- 3) Verisign is currently the only Customs approved certification authority (CA) to provide digital certificates (DCs) to individuals and businesses for communicating with the Integrated Cargo System (ICS). You can obtain a digital certificate by contacting VeriSign through their website at:

<http://www.verisign.com.au/gatekeeper/customs/>.

Several critical decisions need to be made in your company such as **who** will be the 'Authorising Officer', how many 'Authorising Officers' does your company need, **what type** of DCs does your company need and most importantly, **how many** DCs does your company need.

## Will Exports really happen in October?

In the past few months, Customs has been able to rectify the most significant issues that were obstacles to a smooth transition from EXIT to CMR. Functional and performance issues have been resolved so Industry participants should be confident that a successful implementation will commence in September.

A meeting between Customs and Software Developers was held on 17 June to ensure all critical issues have been satisfactorily addressed. Customs and Software Developers in attendance confirmed that no 'show stopper' incidents are outstanding and confirmed that the 'go-live' date of 6 October should stand. It was noted that more work needs to be completed by Customs to address minor issues before October and it was agreed to hold regular meetings to monitor progress.

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## Client Registration Goes Live

Tuesday 3 August is a date you will need to note in your diary. This is the day from which you will be able to register your clients in the Customs Client Registration system.

Of course, as this can ONLY be done through the Customs Interactive Facility, you must have obtained and installed your Digital Certificates before this date.

Customs has already registered exporters where their ABN had been recorded more than once on an export declaration in the EXIT system during the 2002 - 2003 financial year. A list of those exporters who have already been registered by Customs can be found here:

[http://www.customs.gov.au/site/page.cfm?area\\_id=7&nav\\_id=1689](http://www.customs.gov.au/site/page.cfm?area_id=7&nav_id=1689)

NOTE: Additional ABNs are going to be registered by Customs in the coming months. If your ABN does not appear here now, check again early July.

***"confirmed that the 'go-live' date of 6 October should stand"***

***"Tuesday 3 August is a date you will need to note in your diary"***

***“The BCP is in the final development stages”***

Direct communicators who have been registered in the ICS by Customs MUST access and amend their client record. The amendments required to the client record include contact details, role/s, email address/es and preferred EDI site (if using EDI software). All additional information should be included in the appropriate fields.

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## **Business Continuity Plan (Exports)**

Now that a date has been set for Exports Customs and industry have acknowledged the need to ensure that cargo moves without delay in the event of any system or network breakdowns.

The Business Continuity Plan (BCP) is being jointly developed by Customs and industry representatives to ensure that cargo will continue to move in the event of a system failure at the Customs or industry end. The BCP also addresses situations that occur when a message from Customs ‘goes missing’ or when the system may be operating slowly.

The BCP is in the final development stages following many joint Customs/industry meetings and I hope to be able to provide you with the final details in the next few weeks.

It is worth noting that Customs has already commenced work on the Imports BCP and once again industry representatives will be working with Customs to ensure that a reliable contingency system is agreed and in place well before the implementation of Imports.

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## **Outcomes from Ministerial Roundtable**

On June 1, the second Minister's Roundtable on CMR was held in Sydney. For your information I have provided below the outcomes from that meeting:



**Australian Government**  
**Australian Customs Service**

### **MINISTERIAL ROUNDTABLE ON CMR**

**Stamford Hotel, Sydney**

**1 June 2004**

Attendees:

<b>ORGANISATION</b>	<b>REPRESENTATIVE ATTENDING</b>
Australian Air Transport Association	Mr Trevor Long
Australian Chamber of Commerce and Industry (ACCI)	Mr John Collins Past President
Australian Exporters and Importers Association (AEIA)	<i>Mr Tom Curtis</i> President
Australian Federation of International Forwarders (AFIF)	Mr Peter MacNamara Chairman
Conference of Asia Pacific Express Couriers (CAPEC)	Mr Chris Charlton Secretary
Customs Brokers and Forwarders Council of Australia (CBFCA)	Mr Bob Gosling Chairman
Eagle Datamation International Pty Ltd	<i>Mr Richard White</i> CEO
Federal Chamber of Automotive Industries (FCAI)	<i>Mr Frank Adamo</i> Manager, Customs and Logistics
ICS User Representative	<i>Mr Grant Allison-Young</i>
Law Council of Australia	Mr John Law
Patrick Corporation Limited	Ms Mary Jo Huin IT Stevedoring Systems Manager
P&O Ports ANZ	Mr Chris Vicary
PricewaterhouseCoopers	<i>Mr Ross Thorpe</i> Partner – Indirect tax
Shipping Australia	Mr Alan Brundish
Tradegate	Mr Brian Farquhar General Manager
Trident Technologies Pty Ltd	<i>Mr Carman Rossi</i> Director

**Ministerial representation**

Minister for Justice and Customs	<i>Senator The Hon. Christopher Ellison</i>
Customs adviser	<i>Mr Michael Barrett</i>
Departmental Liaison Officer	<i>Mr Paul Benussi</i>

### **Customs representation**

Chief Executive Officer	<i>Mr Lionel Woodward</i>
Chief Information Officer	<i>Mr Murray Harrison</i>
National Director, Office of Business Systems	<i>Ms Jenny Peachey</i>
National Manager, CMR Transition	<i>Mr Matthew Corkhill</i>
Secretariat	<i>Mr Dennis Murphy</i>

### **Opening Address:**

The Minister for Justice and Customs, Senator The Hon. Christopher Ellison opened the meeting. He thanked the participants and commented on the value of the last forum. The Minister then outlined the status of the Exports and Imports releases of the ICS making reference to cut over, training, Business Continuity Planning and costs.

### **CMR Exports:**

Industry representatives were supportive of Customs decision to announce the cutover date for exports of 6 October 2004. Industry expressed the opinion that setting the date for cutover had the result of creating momentum within both industry and Customs to plan and prepare for cutover.

### **System Readiness**

The Minister sought participants' views on the readiness of the exports system and on Customs management of the development. Software developers commented that they had seen a marked improvement in the software, in performance of the system and in incident resolution. They agreed that given the improvements it was appropriate to set a cutover date. One developer indicated that they were seeking resolution of a specific incident, which Customs will follow up.

Customs CIO provided an update on resolution of outstanding functional and performance incidents indicating that the majority had been resolved with the remainder on track for resolution as scheduled. He supported software developers' comments that while good progress is being made, transition to complex new systems is never easy.

Concern was raised in regard to the timely availability of final AQIS specifications.

**ACTION:** Customs CIO to follow up with Patrick Stevedoring on an outstanding incident.

**ACTION:** Customs to follow up the AQIS specification and advise developers of status.

### **Industry Preparedness**

Some Industry representatives raised their concern over the preparedness of their own members for the Exports release. It was felt that the past slippage in the exports release timetable had led to a general feeling of disbelief in the current release date. It was also reported that many Exporters are likely to utilise the services of forwarders and brokers if they have left cutover preparation too late.

QANTAS indicated that their readiness will depend to some extent on Customs ability to meet their obligations in relation to disaster recovery and changes to CTO receival message timing requirements. Customs CIO outlined Customs Disaster Recovery Plan.

PricewaterhouseCoopers commented on the difficulty in engaging company CFOs in the CMR process and observed that while Customs had widely advertised requirements for exports cutover, this has not been successful in grabbing the attention of CFOs.

AFIF and Shipping Australia each indicated that their members were ready and they would continue to communicate with them in the lead up to cutover.

General discussion followed on the Customs communication/ marketing strategy with the Minister drawing parallels with the GST experience.

ND OBS outlined the range of approaches utilised by Customs to prepare industry for exports cutover and it was agreed details of Customs communication strategy would be made available to participants.

**ACTION: Customs to circulate its Communication Strategy for exports.**

### ***Import Release Date***

The Minister asked Customs to give a progress update on the Imports release. Customs indicated that Imports is in User Acceptance Testing. Customs noted that several lessons have been learned from the Exports experience. As a result the testing has been rigorous and should result in more confidence in the integrated product (ICS and CCF).

Industry representatives made the point that they will need as much time as possible to be ready for Imports Release. It was considered that until Industry (software developers in particular) had been exposed to the imports system an opinion on an appropriate roll-out date was premature.

A number of issues were raised during general discussion including the difficulty in educating overseas entities about cargo reporting requirements in Australia, the role of the banking industry in contributing to delays in the provision of import documentation, help desk availability and the infringement notice scheme.

The Minister indicated his willingness to approach banking industry representatives with concerns over delays.

The Minister indicated that it may be beneficial to hold another meeting towards the end of the year to discuss plans for the imports release.

**ACTION:** Minister to correspond with banking industry over delays to import documentation.

**Issue: Accredited Client Program.**

The Minister outlined the current position and referred to a letter written by Shane Davie, Director Compliance Operations which was sent to all business partners on 21 May 2004. The Minister outlined his commitment to duty deferral and noted that the issue will be addressed in the review of Customs finances that is currently underway.

Discussion followed on the ACP with several points being raised:

- Software developers will have difficulty justifying expenditure in development of ACP messages if there is a small client base;
- Duty deferral is seen as the enabling mechanism for the ACP;
- ACP will allow more time to ensure accuracy of data and aggregation of data for those participating in the program; and
- Inclusion of service providers and industry associations with a view to bringing SMEs into scheme.

**Closing Remarks: Minister**

The Minister thanked the participants for their attendance and suggested another meeting be arranged closer to the Exports cutover date, if possible.

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## Imports

Customs recently wrote to industry associations advising that the Government is in the process of amending sections 64 and 64AB of the *Customs Act*. The proposed amendments include:

- First port/airport reporting for all cargo: All cargo being transported to Australia must be reported prior to its arrival in the first port/airport in Australia. The current arrangements allow cargo to remain unreported until prior to its arrival at the actual port/airport of unloading; and
- Prescribed timing requirements for impending arrival reports of vessels, and cargo reports: the minimum reporting periods will be prescribed by regulation. There will be no changes to the current timing of the air impending arrival reports and cargo reports, except that all cargo must be reported before the first airport in Australia.

Customs acknowledges first port reporting for all cargo represents a change to the timing of current reporting practice. Customs advises these changes are a necessary response to the current and future transport environments that require enhanced security measures. These changes provide an avenue to reflect the international security and trading environment and in particular allow timely and accurate risk assessment of the cargo within that changing environment.

In the Explanatory Memorandum to the Cargo Security Bill, the Government has indicated as an example that 96 hours may be the prescribed period for reporting sea cargo before a vessel arrives at the

***“First port/airport reporting for all cargo”***

***“96 hours may be the prescribed period for reporting sea cargo before a vessel arrives at the first Australian port***

**“Customs has made a concession in the case of the provision of ultimate consignee detail post ICS”**

*Grant Allison-Young*

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first Australian port. As stated previously air cargo will remain unchanged at 2 hours prior to arrival of the aircraft in the first port.

The CMR Business Model in relation to import cargo reporting provides that Cargo Reporters can report to Customs the information that is contained on the Bill or AWB. This concession to current reporting requirements was confirmed by Customs in a letter to me dated April this year. Here is an extract from that letter:

*Customs has made a concession in the case of the provision of ultimate consignee detail post ICS by allowing cascade reporting, and that information available from the import declaration will be used for Customs purposes prior to the release of the goods. This will remain, but industry must consider how it will deal with the need for risk assessment in the Government's security context and the consequence, in terms of regulatory scrutiny, of missing data elements or known poor data integrity in other critical fields, for example, "goods description".*