

Customs integrity in Polynesia

Australian Customs has been active in promoting integrity initiatives internationally, particularly in the Asia-Pacific region, providing resources to assist other countries.

Along with assistance to international Customs administrations in traditional Customs areas such as valuation and classification, technical advice and assistance about integrity issues are becoming sought-after commodities.

Integrity and corporate governance are central to efforts being made under technical strengthening projects in the Pacific.

Australian Customs, contracted to provide reform assistance in Tonga under an Ausaid-funded project of the Tongan revenue service,

received an additional request from the Tonga Government for assistance in an investigation into alleged corrupt activities within the Tongan Customs and Trade Division.

Australian Customs sent two officers, Gerry Rodrigues, Manager Business Improvement, and Clay Kerswell, Manager Integrity and Trade Facilitation, to Tonga in June.

It was Mr Rodrigues' second visit to Tonga – he was involved in the technical strengthening project and he had also been a customs consultant on other Pacific projects. Mr Kerswell had travelled previously for his work with integrity but this was the first time he had worked in the Pacific.

There had been media coverage of an alleged corrupt incident in the Tongan customs service. The Minister for Finance sought Australian Customs assistance to help investigate the underlying causes of corruption and recommend possible solutions.

After some negotiation with Ausaid and Tongan Customs, agreement was reached on terms of reference. The final agreed work program focused on conducting an integrity self-assessment exercise, using the self-assessment guide developed by the Asia-Pacific regional group of the World Customs Organisation (WCO).



The natural beauty of Tonga turned on a dramatic show of force from the blow-holes at the King's Whistle on the island of Tongatapu (left), while integrity self-assessment sessions were conducted for the Tongan staff by Australian Customs Service officer Clay Kerswell (above - standing front).

The process is based on the WCO's "Arusha" declaration, which outlines 12 key elements for improving integrity in Customs administrations. Australian Customs has been involved in a number of workshops where the theory of self-assessment was examined, Tonga one of the first real tests of the theory being put into practice. The exercise proved valuable, highlighting some of the limitations of the process and confirming that one size does not fit all.

A strong platform for the exercise had been prepared through links forged with Tongan Customs built through the technical strengthening project and also from membership of the Oceania Customs

Organisation (OCO). The Tongan Collector of Customs and other staff members had also participated in previous integrity workshops conducted by Australian Customs. The Kingdom of Tonga has a population of about 90,000 and a Customs staff of around 60. The Comptroller has responsibility for all revenue agencies (Customs, Inland Revenue and Post) reporting to the Minister for Finance. In 2000-2001, Customs collected around A\$40 million, accounting for nearly 60 per cent of total government revenue.

Tonga has no brokers, so Customs officers are required to prepare the entry for importers. As a result of reforms instituted under the institutional strengthening project,

a compliance unit separate to Customs has been established. This unit physically examines all cargo after it has been released by Customs at the time the importer takes delivery. None of the systems are automated.

In addition to meetings with the senior executive, the Minister and the Australian High Commissioner, Mr Rodrigues and Mr Kerswell conducted a number of site visits and ran several workshops with staff at all levels. Issues assessed included review and appeal of decisions, internal audit and codes of conduct.

The result was a comprehensive integrity action plan that was delivered to the Minister and the Comptroller on the last day of the visit. The action plan contains practical advice and recommendations that should help improve integrity in the Tonga Revenue Services Department. Some of the recommendations are being implemented immediately.



Sessions to develop an integrity action plan involved the Tongan Comptroller General and the executive management team (above). The sights and sounds of Tonga, including the local transport styles, gave an insight into the country's lifestyle (right).

