

# Customs and industry consultation

By Kelly Edwards

**A**chieving and maintaining a balance between industry needs and Customs requirements is a key issue for Customs.

The evolution of the relationship between Customs and industry during the 20th century resulted in the formation of a number of consultative mechanisms with industry and other agencies.

In its early days, Customs did not always adequately consider its clients. At the turn of the century, as Australia moved towards Federation, before the formation of a single Customs service, the focus of the colonial Customs departments was on revenue raising and community protection at the borders. Consultation with the trading community about the introduction of national customs initiatives was infrequent. Decisions were made without sufficient consultation and new tariffs introduced with limited warning which often angered industry and the community.

In 1901, the Customs Minister, Charles Kingston, angered traders and customs agents by introducing new statistical returns to be completed by any person importing goods. In response to the trading community's outrage at the new returns, Kingston's consultative measures included advising state Customs Collectors that: "local chambers of commerce should be 'courteously communicated with as to their ideas and wishes' " (*Contraband and Controversy*, David Day, AGPS, 1996, p5).

Unifying the various state Customs services into a national Customs organisation, with Commonwealth laws and regulations, did little to improve

relations with industry. Consultation with industry over the implementation of national legislation was extremely limited, resulting in the introduction of the first Commonwealth tariff being greeted with horror by some sections of the trading community. An angry correspondent wrote to the *Sydney Morning Herald* that the tariff was "neither fish, flesh, nor good red herring, but a harsh tariff devised by officers adept at dragging duty out of folks and compiled with little consideration to whether trade and commerce could stand it" (Day, p37).

The relationship between Customs, industry and the general public continued to be periodically strained during the first half of the 20th century. Government officials who carried out their duties, "regardless of any consideration for the people whose

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servants they are", were the focus of many aggrieved correspondents. An editorial in the *Argus* (Melbourne) about the apparent arrogance of many Customs officers resulted in a flurry of letters about the relationships between Customs agents and importers, and Customs officials. Customs agents and importers were treated "as if they were either children who have to be smacked for their errors, or they are made to appear as criminals". Meetings between shipping officials and the Comptroller-General of the time, Percy Whitton

(1922), to resolve these and other complaints provided an avenue for consultation. Whitton died before any of the changes discussed during the consultations could be implemented (Day, p156).

The 1930s saw the expansion of Customs role as a censor of books and films. Chief censor Cresswell O'Reilly had an important role in moulding the national character. O'Reilly's enthusiasm for preventing "misspellings, Americanised spellings or words offensive to Australians", scenes of "crime and the more sordid phases of life" and "frequent exhibition of certain phases of marriage, sex desire and passion" angered film importers (Day, p178). The public also protested against the banning of certain books and other publications - "such presumptuous grandmotherly interference with personal liberty, on the part of our fatuous Customs officials" whose "mania for censoring everything" sprang from "muddled, dirty minds ... wallowing in inhibitions" (Day, p181).

Censorship issues faded into the background when World War II broke out. Despite an increase in activity on the wharves just before the war, the number of overseas vessels arriving at Australian ports declined markedly through the war years. Many young Customs officers joined the services and others were seconded to war-related duties (Day, p222).

Progress, of sorts, toward consultative procedures began in the 1950s when a huge increase in imports and complex Customs procedures combined to cause significant congestion on the wharves. Delays in

processing cargo at Melbourne meant that 20 vessels had to anchor in Port Phillip Bay because there were not enough berths. Angry industry representatives criticised the laborious Customs processes and urged that the procedures be relaxed. The Victorian Collector, Joe Brophy, declared the situation at the wharves as a national emergency. He met with government departments and industry representatives to discuss the issue and the situation eased with recruitment of more Customs staff and "the cooperation of maritime interests" (Day, p278).

In 1955, Western Australian Collector A.E. Griffin moved the bulk of Customs activities from Fremantle to Perth (about 17km from the docks) without consulting industry. The trading community were vocal in their opposition to the move and strongly pressured the Government to return Customs activities to Fremantle. After the Chamber of Commerce appealed to the Prime Minister in 1957, Fremantle once again became the centre for Customs activities (Day, p284).

In the 1970s, in the face of ongoing and massive growth, the air transport industry called for air cargo and passenger manifests to be dispensed with. The manifests, which had to be drawn up by hand, was a procedure that had started with sailing ships. To facilitate cargo and passengers, industry suggested that Customs investigate the use of "electronic equipment ... for the transmission of any essential information". A trial system was introduced in 1974 for some importers between Australia and New Zealand, which significantly reduced the amount of paperwork required.

Over the next two decades, many electronic initiatives were undertaken by Customs, increasing the speed of release of cargo from Customs control. These initiatives, while facilitating cargo, dramatically reduced "the human contact between Customs officers and agents" and this sometimes resulted in

"disputation between both sides" (Day, p407).

In April 1991, the House of Representative Standing Committee on Finance and Public Administration issued its final report, *A Tour of Duties*, on an inquiry into aspects of the Australian Customs Service. The Committee considered that the "views expressed to it by various agencies, and the findings of the AGB:McNair survey,

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are indicative of shortcomings in relationships between the [Customs] and the trading community". Comments in the client survey revealed the perception that Customs was "a traditional organisation which is slow to change" and "not sympathetic to commercial needs". The Committee felt that a consultative group needed to be established in order "to better attune Customs to the needs of industry" (Day, p375).

The Committee recommendation accepted by Government was that "... a Customs Consultative Committee be established to provide a forum which meets regularly at a national level, for the discussion of Customs issues relevant to those in the trading community. Such issues could include administrative procedures, draft legislation where appropriate, and changes in policy. Membership of the committee could be drawn from Customs agents; associations, the Law Council, Customs consultants and importers' representatives" (Committee report, 1991).

The first meeting of the new Customs National Consultative Committee (CNCC) was held on 4 December 1991 in Melbourne. Speakers

included the Minister for Small Business and Customs, David Beddall, and the Comptroller-General of Customs, Frank Kelly. They recognised the criticisms implicit in the views conveyed to the Committee. Mr Kelly said the CNCC provided a peak national body that could deal with broad issues such as policy, administrative issues and proposed legislative changes that had an impact on the trading community. Mr Kelly said, "I wish to emphasise that the CNCC represents a concrete attempt to increase the consultation process between Customs and a range of client agencies" (Customs news release, 4 December 1991).

The CNCC now meets quarterly, usually in Sydney. It provides a forum for the discussion of Customs policy and procedural issues relevant to the trading community, business and Customs specialists. The Committee is not a decision-making body. There is a sharing of information and views where members put forward significant matters of Customs administration that are of concern to the members they represent. Representation from industry covers customs brokers, freight forwarders, air couriers, the air transport industry, shipping industry, the Law Council, the Institute of Chartered Accountants, the Chamber of Commerce and Industry and the Exporters and Importers Association. Issues discussed at recent CNCC meetings include: Cargo Management Re-engineering, international issues (particularly APEC), increased quarantine interventions, legislation and container x-ray.

When Lionel Woodward was appointed as Customs CEO in 1994, he told an audience of industry representative that Customs would no longer treat "suggestions for change from industry as threats to Customs control". Instead, Customs would say, "Let's see how we can allow that to happen without eroding our necessary controls" (Day, p378). CNCC continues to be conducted in this spirit.