

Modernising cargo management

By Louise Patroni

The way industry reports the movement of cargo to Australian Customs is changing. The Cargo Management Re-engineering (CMR) Project is improving Customs control over high-risk goods at the border while at the same time providing industry with more flexibility in reporting cargo movements. At the heart of CMR is the replacement of Customs IT systems with an integrated system geared to meeting e-business needs.

Phase one of the CMR project was introduced last July and the next four phases will be introduced between November 2002 and March 2004. Throughout these implementation phases, it is vital that importers and exporters review their software packages because they might need to update or amend software to interact with Customs new system.

Phase two

Customs is now preparing to implement Phase two of the CMR Project. Phase two will involve the trialling and rolling-out of the Integrated Cargo System (ICS) infrastructure - the software that will support the new reporting system - from late 2002 into 2003.

The trial will involve only air cargo companies who are document special reporters dealing in high-volume/low-value (HVLV) goods.

"Phase two will begin with one company, DHL, and, following evaluation, Customs will look to rollout the ICS to other document special reporters," Customs CMR Transition National Manager Steve Holloway said.

The trial will involve special reporters conveying details of individual document consignments to Customs through the new system's interactive screens, rather than maintaining that information in their own HVLV dedicated systems. This new level of reporting will ensure that Customs can more effectively identify individual risk items, thereby allowing speedier processing of low-risk goods.

Phase two will enable Customs to test also the computer sub-systems needed to support the ICS, including:

- a new communications gateway, Customs Connect Facility
- elements of import cargo reporting
- client identification and the ability for clients to amend their reports.

At the same time, the trial period will allow document special reporters to assess:

- that messages are received and sent correctly

- the receipt of status
- the impact of receiving status at the house level on operations.

"The Phase two trial is an important stepping stone in the CMR rollout as it will test the new Customs gateway and public key infrastructure requirements," Mr Holloway said. "Customs will be collaborating closely with DHL and other industry representatives to ensure that the lessons learnt during the trial are shared with others."

In addition to ensuring that their software is compatible, companies taking part in Phase two should be starting to:

- review current systems as they might need to update message standards or introduce new systems
- introduce the updated air cargo report message
- assess business practices to ensure compliance with legislative requirements
- look at the impact on their staff to ensure they understand the changes and, where necessary, initiate plans to train staff.

Throughout this trial period, document special reporters must continue to use Air Cargo Automation to make submaster-type abbreviated HVLV reports in order to comply with Customs Act current requirements.

Phase three and beyond

To use the new software, all users will have to register their details in advance of the changeover for importers and exporters. The registration facility for exports (Phase three) will be available in mid 2003. Customs will open the client registration facility for importers two months before the cutover date.

Exporters will start reporting and providing

export declarations via the ICS in Phase four in November 2003. The changes applying to imports (Phase five) begin in March 2004. Customs will publicise these enrolment dates in the leadup to the system changeovers.

"It is important that industry understands that Phases four and five - exports and imports respectively - will each involve a 'clean cutover' from current IT systems to the ICS," Mr Holloway said.

"EXIT, COMPILE, ACA and SCA will be turned off from the nominated date and clients will have to use the new Integrated Cargo System. Importers and exporters must be prepared to report, using the new systems, on the changeover day."

Some changes that come into place for exporters and importers in Phases four and five include:

Importers

- all air and sea cargo will be reported electronically by cargo reporters before arrival in Australia
- 'early report/early status' will allow cargo at wharves, airports and depots to move to markets faster by establishing the status of cargo before arrival
- self-assessed clearance declarations will replace the customs revenue screening and release of low value goods imported by sea and air.

Exporters

- better access to Customs information through Internet reporting. Exporting firms will have the option also of dialling in to create and lodge an export entry over the Internet
- Customs will require warehouse and depot operators to electronically report the release of prescribed goods for export, such as tobacco and spirits. This will enable Customs to track the movement of high-risk underbond goods through to their exportation, effectively mirroring the import controls on the same goods
- the introduction of status reporting at cargo terminals will make it vital for all goods to have an authority to deal before they are delivered to a place of export.

Anyone interested in receiving updates on the CMR project can now register by emailing cmr@customs.gov.au. Further information on CMR and ICS is also available at www.customs.gov.au.

