



REGULATORY PHILOSOPHY

Customs is a regulatory agency with a clear mandate to protect the Australian community from the illegal movement of goods and people across our border and to collect customs and other revenue.

We are involved in the management of international trade and aim to fulfil our role without impeding the flow of legitimate trade or travel.

We do this by adopting risk management techniques which rely on the provision of accurate and timely information.

When international traders and travellers are compliant with the laws and regulations administered by Customs, our intervention activity is minimised.

We therefore have a direct interest in improving the compliance levels of our clients and we are committed to fostering an environment where we work co-operatively with them to achieve this.

The nature of our operational work is governed by the behaviour of our clients and the risks they or their cargo represent.

Our risk identification and analysis is continuous – pre-arrival, at arrival and post clearance – and our response is appropriate to the level of risk.

In order to make accurate risk judgements we continually monitor our business environment.

We carry out checks of documents and goods to verify compliance.

Our audit activity is undertaken in response to identified client or cargo risk. It is directed across the entire Customs client base and is generated from, and feeds back into, the risk identification and analysis cycle.

Resource intensive interventions such as comprehensive audits and cargo searches are undertaken in response to identified high risks.

Our response to non-compliant activity is determined by the extent and nature of the non-compliance and is in line with the sanctions set out in the law.

The following diagram illustrates the application of this philosophy:

Customs Compliance Continuum

CLIENT CATEGORIES—BEHAVIOURS AND MOTIVATION

Self regulation	Assisted self regulation	Directed regulation	Enforced regulation
<ul style="list-style-type: none"> Informed self assessment Management is compliance orientated Includes accredited clients 	<ul style="list-style-type: none"> Not yet compliant Attempting compliance Developing internal control systems 	<ul style="list-style-type: none"> Resistance to compliance Lack of compliance Limited / poor systems 	<ul style="list-style-type: none"> Deliberate non compliance Criminal intent Illegal activity

CUSTOMS OPERATIONAL RESPONSE

<ul style="list-style-type: none"> Education and training Maximum pre-arrival / departure clearance Minimum real time pre-clearance intervention Some compliance verification: <ul style="list-style-type: none"> - x-ray - checks of documents and goods Sanctions may be imposed 	<ul style="list-style-type: none"> Education and training Some real time pre-clearance intervention Some post clearance checking Compliance verification: <ul style="list-style-type: none"> - x-ray - checks of documents and goods Sanctions may be imposed 	<ul style="list-style-type: none"> Pre and post clearance intervention Post clearance comprehensive audit Pre-clearance major examination Sanctions may be imposed 	<ul style="list-style-type: none"> Pre and post clearance intervention Comprehensive audits Cargo searches (may be covert) Surveillance Investigation by multi disciplined teams Sanctions imposed
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