

Tweaking the licensing process would lead to better brokers

Peter McRae*

MAKING some much-needed changes to the education, induction and licensing process for customs brokers could deliver positives for the industry, attracting committed entrants, providing a clearer path to success and taking pressure off employers. A career in customs brokering can be lucrative. Entry-level pay for a licensed broker generally starts at around \$70K, with a general requirement of two years academic training. It leads to opportunities to work for established customs brokerages, importing wholesalers and retailers as in-house customs brokers, or to become a successful start-up. A great advantage over and above this is that the skills that you learn in Australia are transferable to other countries that are signatories to conventions such as the International Convention on the Harmonized System or the WTO Agreement on Customs Valuation. It is very much an international language and it can lead to international employment. Sounds good right? It is.

But I believe the certification process no longer works in the best interest of either industry entrants or their employers. It needs rigorous certification and induction if we

are to have better brokers working to improve Australia's economic health in the import/export space.

I often reflect on how the Certified Public Accountant (CPA) program works for aspiring accountants. A candidate starts and completes an approved university program and receives mentoring from a senior accountant before entering the CPA program, which includes an exam requirement that leads to certification. The system is nationally recognised.

Previously in Australia (and in reflecting like this, I am showing my age here) the certification process worked, and it is reflected in the fact that today there are hundreds of customs brokers licensed and operating in Australia, predominantly as nominee customs brokers or as corporate customs brokerages. The process then involved three years of study, on-the-job training and then a national exam that led to achieving your broker's license.

Today it looks different. The current licensing program requires graduates of a two-year Diploma to show a portfolio of work gained through several years of on-the-job training as a compiler, classifier and unlicensed customs broker, yet jobs for compilers and clas-

sifiers attract much less salary. In these roles there is little room for merit-based growth. The candidate must then participate in an interview with the National Customs Agents Licensing Advisory Committee (NCALAC) and demonstrate practical experience via a portfolio. It's a system of doing the time to earn the license. As a result, applicants today apply for the license prematurely with the view to gain higher pay, and they either pass (often with insufficient technical knowledge required to be a successful broker) or are refuted and told to return after another 12 months (and resuming their low pay grade for at least that long).

With the cost of living so high and the rising expectations for merit-based career progression and ensuing financial independence from young emerging talent, there is no sense in industries bottlenecking wages. There has also never been any sense in admitting inexperienced entrants into any industry, let alone one which is critical to Australia's economic and regulatory health.

If the industry would deliver opportunity for its future leaders via improvements to the licensing pathway, I believe numbers would lift and the tal-

ent pool would again display more bright, ambitious talent.

So how would it do this?

With less years in academic training, and no uniform knowledge-based testing during licensing, academic modules need to become more stringent with practical assessment heavily weighted. The ROI for higher course fees for students would be there – in greater opportunity for better understanding and better-paid employment, more quickly.

The induction system then could be tweaked to put greater emphasis on necessary on-the-job training, with better salary levels and opportunity for merit-based incremental gains along the way. I see a practical model as: Academic graduate moves into entry-level compiler role with no experience (the Learner's permit). Step into compiler/classifier role (the first Provisional permit). In this role the practitioner would blend learning with business acumen and begin building a portfolio of assessable experience. Next a classifier role (the P2 permit) after which, with

gained in addition to the mentoring of a senior customs broker, the practitioner could apply for a license and importantly, sit a national industry exam to test the accumulated knowledge required to become a licensed customs broker. The license would then be maintained (as is) via Certified Professional Development (CPD).

Let's talk about employers too. This improved model would take some of the pressure off.

Today, base-level entrants have no idea what the job is really like, plus they have little opportunity for salary increases, meaning they are often not committed to their future careers yet. They lack certainty, which naturally bleeds their ambition. I want to employ compilers who want to be brokers and who believe they could be, through merit-based progression over reasonable time. It would be great if they had confidence that they would pass the licensing process when they applied, because they have the confidence in the skills that they have gained over time and confidence in the licensing process. I believe the industry would see a huge reduction in staff turnover if the process enabled some certainty about career growth.

The cost of investment for junior unlicensed staff is \$100K+ in wages over two years, plus let's say at least

\$20K in incentivising and on-the-job training. If they then don't pass, or become demoralised along the way and look for a new opportunity beyond the industry, the employer not only loses a team member but then must also initiate another \$100K investment in the next potential future broker.

We owe it to our future customs brokers to provide career certainty and confidence. We owe it to our employers to deliver great talent with knowledge and confidence. Ours is an extremely rewarding and interesting career with huge potential and I look forward to seeing training and accreditation reflect this in the future, better than it does today.

Photo: Peter McRae



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