



OCEANIA CUSTOMS ORGANISATION

JULY 2021 – JUNE 2022

/// annual
report



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Introduction

This report highlights key activities and achievements that have occurred during the period July 2021 to June 2022.

The COVID-19 pandemic continues to have an impact on the delivery of the OCO work program. However, during the last six-months of the period measures have been take to allow the Secretariat to continue engaging with members and stakeholders leveraging on technologies. The Secretariat has also invested both in technology and in efforts to deliver remote capacity building activities as per the Approved Work Plan.

The year 2021 2022 is the end of the Strategic Plan Year 2017 2022 as we reflect back we believe that OCO and its members have taken a lot of positive steps forward in the Customs modernisation journey, in the simplification of processes and procedures, adoption of the global Harmonised system and the move towards Automation. At the same time there were numerous challenges as well in OCO as an Institution, but also in the global trading world. We can only look back with positive memories of what had been an interesting 5-year journey.

Understanding the Oceania Customs Organisation

The Oceania Customs Organisation (OCO) was established in 1986 originally with six-member Customs organisations under the Customs Head of Administration Regional Meeting (CHARM) and progressively expanded until in 2011, Timor Leste became the most recent member.

The OCO comprises of twenty-three nations and territories that are independent Customs jurisdictions in the Pacific. The OCO Secretariat plays a pivotal role in providing capacity-building activities to the 23 Member Administration, they are American Samoa, Australia, Cook Islands, Federated States of Micronesia, Fiji, French Polynesia, Guam, Kiribati, Marshall Islands, Nauru, New Caledonia, New Zealand, Niue, Northern Mariana Islands, Palau, Papua New Guinea, Samoa, Solomon Islands, Timor Leste, Tonga, Tuvalu, Vanuatu and Wallis and Futuna.

Mission

OCO's mission is to facilitate and where appropriate help administrations to align with customs international standards and best practice leading to greater economic prosperity and increased border security within the Oceania region.

Vision

To be recognised as a world class regional Customs Organisation that collaborates with regional and global partners to deliver high quality services and sustainable solutions to Member Administrations.

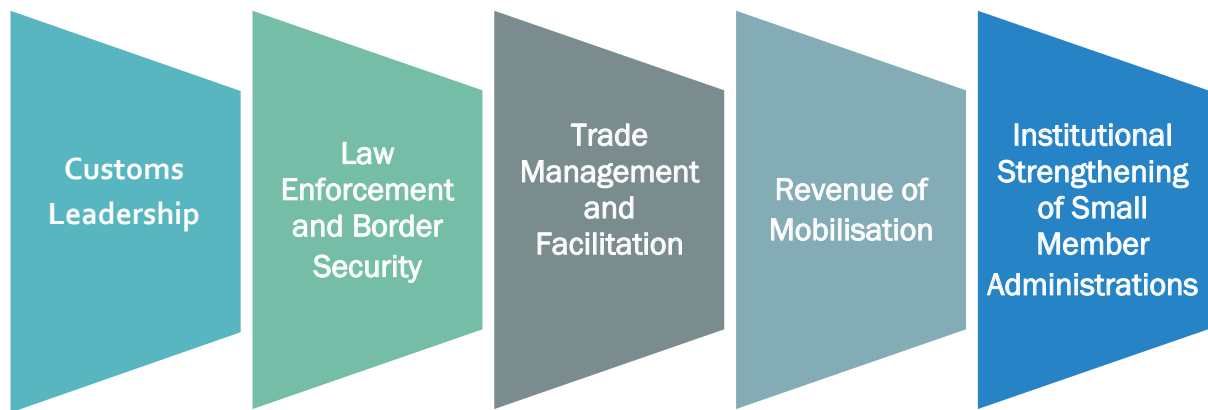
Values

We value our members and are committed to providing targeted assistance and lasting solutions to meet their priority needs.

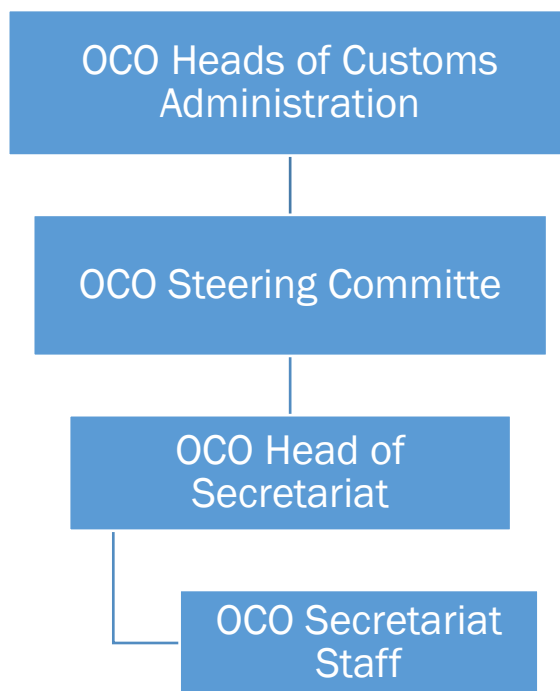
We value our development partners and stakeholders and are committed to transparent dialogue and working closely together to serve regional, global and national interests.

We value governance and credible and inspirational leadership.

Our Strategic Priorities Areas



Our Governance Structure



The Secretariat Team

As at 30th June 2022, OCO has eleven full-time staff, representing four OCO Member countries. During the 2021-22 period 2 staff resigned and 2 staff were recruited to replace them.

Message from the Acting Head of Secretariat



*Acting Head of Secretariat and Operations
Manager, Mrs. Irma Daphney Stone*

The year 2021-22 was not an easy year as most of our members were coming to terms with the height of the COVID-19 pandemic early in the period. The year started with the OCO virtual conference with the theme “Customs bolstering Recovery, Renewal and Resilience for a sustainable supply chain” held on the 26th August 2021 virtually.

First and foremost, we acknowledge that we will not have been able to carry out our work without the funding support from our members, the grant funding provided by Australia and New Zealand, funding from the US Patent and Trademark Office through our Memorandum of Understanding and the technical partnership with OCO members and partners. Highlights of the 2021-22 work included the completion of the preparation of the Harmonised System 2022 ready for transposition and members use, available together with the Pacific Harmonised Commodity Description and Coding System 2022 (PACHS 2022) with the correlation tables and the SITC.

During the height of the pandemic, we were fortunate to have more than 80 Customs officers from 17 countries enrolled in the Centre for Customs and Excise Studies (CCES) CERT III, a 10-month long course in Regional Customs Administrations. More than 75% of those who undertook this study were assessed Competent. In moving forward most of them are taking the CERT IV and will be the future trainers on Customs matters for our region and beyond. The other opportunity arose out of this online program, as it allowed us to implement gender balance and equality with more than 60% women graduates, some achieving the highest Competency ratings.

Another highlight of our activities this year was the inaugural Pacific Women Profession Development program (PWPDP) held in collaboration with the ABF and the Royal Melbourne Institute of Technology (RMIT), where 60 women from our membership learned online leadership skills, enforcement skills and networking skills. This program brought female Customs officers to the fore and highlighted the important contribution they make to the Customs work. The positive ripple effect of this program is continuing to echo through our membership.

Another future-looking initiative developed during this period was the Customs Brokers online course available for members to use. This will be rolled out to members in the new financial year. The OCO Pacific Small Craft App (OPSCA) was also rolled out to members with the ABF support and Regional Coordinators were working nationally to maintain and administer the App. We also have the US Patent and Trade Mark Office (USPTO) coming to the table to assist in the Intellectual Property Rights work and the UN International Narcotics Control Board (INCB) providing support in the enforcement side.

Further, the OCO in collaboration with ABF were able to run the illicit tobacco operation with members and were able to collate data to inform our membership on how prevalent this is and the possible magnitude of the negative impact on the members' revenue collection.

This period 2021-22 is the concluding year of the 2017-22 Strategic Plan (SP) period and the membership's continued support is still critical in OCO delivering its mandate. We are grateful to the Experts from our membership for providing necessary technical inputs into all our activities and we acknowledge the unwavering support by our contact points whenever we needed their assistance. Without these needed technical inputs, we would not have been able to carry out the activities.

We were also fortunate to have contributed throughout this SP period to the readiness of the PACER Plus countries and to note the setup of the PACER Plus Implementation Unit to continue the work.

I acknowledge the work and leadership that Mr. Richard Brennan, our former Head of Secretariat, had provided OCO in the last 3 years and thank him for his commitment and input and the untiring commitment of the OCO staff.

I thank Mr. Xavier Mitchell from the Cook Islands for his Chairmanship, leadership and guidance chairing the Steering Committee and the Conference and not forgetting all the Steering Committee members and the members at large for all the support during the 2021-22 financial year. I welcome our new Chair Mr. Randy Sue from the Federated States of Micronesia and look forward to another fruitful year in 2022-23.

Malo áupito

Irma Daphney Stone
Acting Head of Secretariat

23rd OCO Virtual Annual Conference

26th August 2021

Theme: "Customs bolstering Recovery, Renewal and Resilience for a sustainable supply chain"



Heads of Customs Administration attending the 23rd OCO Virtual Annual Conference held on 26th August 2021.

The 23rd OCO conference was held virtually and was attended by twenty-one Heads of Customs Administrations or their respective nominees. They were from American Samoa, Australia, Commonwealth of the Northern Mariana Islands, Cook Islands, Federated States of Micronesia (FSM), Fiji, French Polynesia, Guam, Kiribati, Nauru, New Caledonia, New Zealand, Niue, Palau, Papua New Guinea, and Republic of the Marshall Islands, Samoa, Solomon Islands, Tonga, Tuvalu and Vanuatu. New Caledonia in attending represented Wallis and Futuna. Only Timor Leste was not represented in the meeting.

Ever since the emergence of the coronavirus, virtual meetings have become the new norm with the OCO holding its second virtual meeting with the theme "Customs bolstering Recovery, Renewal and Resilience for a sustainable supply chain" on 26th August 2021 to review achievements and discuss future directions.

The Chair Mr. Salvador Jacob, Assistant Secretary Customs and Tax for the Federated States of Micronesia (FSM) expressed appreciation to the Vice Chair – Mr. Xavier Mitchell, Treasurer/Comptroller, Revenue Management Division for Cook Islands, the Steering Committee and its members as well as the Head of the Secretariat and his staff for all the work throughout the year and the preparation leading up to this conference.

The Chair highlighted that whilst the economies were in a better position to face the pandemic compared to last year with the roll out of the World Health Organisation approved vaccinations there were still a lot more work to be done in navigating through the unknown and restoring of our economies in the Pacific region to former glory days and Customs has a key role to play in this recovery.

Despite the challenges and restrictions of working in a COVID environment, the members commended the work program and achievements of the OCO Secretariat for the period July 2021 to June 2022 reflected in the OCO Draft Annual Report. The members were appreciative of the support received from large network of partners funding capacity building activities, implementing work programs and sharing their knowledge and expertise to support the activities carried out by the OCO.

Key Outcomes

The OCO achieved a number of important outcomes over the past year, even though COVID-19 has complicated the OCO's delivery of capacity building. OCO activities in the Pacific have built regional technical skills, including training in vessel searches, border security assessments, small craft targeting, cargo search and risk assessment, document examination, investigations and intelligence to bolster Pacific border security.

In his opening remarks, the Chair acknowledged the ongoing commitment of its major donor partners Australia and New Zealand and Fiji through in-kind contributions host. He noted the challenges of holding virtual meetings and the travel restrictions caused by the pandemic, many other OCO partners were unable to participate in this conference. The Chair nonetheless thanked and acknowledged their contribution.

- Members noted the Interim financial results for the fiscal year ended 30 June 2021 that posted a surplus for the year. The surplus realised from a Covid operating environment with major part of the OCO activities were delivered through virtual platforms. OCO Members commended the Secretariat for its efforts and its resilience in implementing new ways of working and offering remote learning courses since the pandemic began. For example, the Secretariat has successfully supported the readiness of members for the coming into effect of the Pacific Agreement on Closer Economic Relations (PACER) Plus.
- Members approved the work program and budget for the period from 1 July 2021 to 30 June 2022. Members recognised the importance of ensuring the OCO's financial sustainability, and agreed that the Steering Committee continue to review spending halfway through the financial year to suggest any adjustments

required to match revenues and expenditure. Members also noted that cost savings from increased use of remote learning, supplemented by face-to-face learning when required, will support the long-term viability of the organisation. The work program incorporated core customs training modules based on international customs best practice and learning tools, including, modules developed by the Centre for Customs and Excise Studies in Australia. Members also took note on the update of various work program activities which formed part of the Work program 2021 – 2022;

- Progress report on the Pacific Harmonised Commodity Description and Coding System 2022 (PACHS 2022);
- Update on the OCO Pacific Small Craft Application (OPSCA) through the support of the Australian Border Force and approved the OPSA Regional Coordinator Role as a coordination point for each region;
- Update on the OCO Professional Standards Framework, CCEs online training and Educational Quality and Assessment Program (EQAP) and approved the activities to progress the accreditation of the OCO Courses;
- Noted the progress on the discussions of the Guam Customs development and modernisation plan and approved the inclusion of the project in the Work program 2021 – 2022.
- Members approved to consider the Administration matters of the Secretariat relating to the 'Update of the Administration Policy' and the 'Review of the OCO Finance Regulations, Policies and Procedures' to be tabled out of session in the interest of time.
- Members resolved to formalise the new organisation structure as the Approved OCO Structure 2021 which is aligned to the new work program and service delivery. The approved structure includes the Head of Secretariat supported by 11 posts.
- Members noted the Mid-term review of the OCO Strategic Plan 2017 – 2022 and the plans to commence the development of a new OCO Strategic Plan for the next 5 years.
- Members approved to consider Fiji's request for waiver of member fees for the year 2021 - 2022.
- Members discussed the impact of COVID-19 on their respective countries and their national responses, including border measures to protect their citizens. Members noted the priorities placed on ensuring the facilitation of essential goods by Customs administrations are consistent with the health protocols that were in place. With the aim to support vaccine supply chain in the Pacific, members welcomed the Australian-drafted World Customs Organization Operational Guidelines for the Facilitation of Situationally Critical Medicines and

Vaccines. Looking forward, members acknowledged that OCO capacity building efforts focus on COVID-19 recovery, and PACER Plus implementation provides a useful tool to support economic recovery through greater trade. To achieve these objectives, Members agreed to streamline long-term forward work plans, including the Members' engagement with the OCO and align long-term OCO work plans and strategy documents.

- Members acknowledged that threats in the Pacific remain high despite reduced air and sea travel during the pandemic, including from illegal, unreported and unregulated fishing fleets – as well as threats from illegal movements of drugs and weapons, which are often facilitation by trusted insiders.
- Members and the Secretariat noted the critical link between national security and traditional customs functions. They affirmed engagement through forums such as the OCO and the Joint Heads of Pacific Security (JHoPS) provides an opportunity to enhance our region's security.
- In this context, Members strongly welcomed the Australian-developed Pacific Small Craft Application as a tangible example of working together to increase information sharing and enhance border security practices. Members acknowledged the continued roll out of the Pacific Small Craft Application, which includes a COVID-19 quarantine tracking feature, will support secure and bio secure movements in the Pacific in the future.
- The members noted the update of the EDF 11 discussions for the Funding of ASYCUDA World Project.
- Members approved Cook Islands to host the 2022 annual conference and FSM to host the 2023 annual conference in person followed by member country Fiji. Conference host members Cook Islands and FSM were unable to host the respective events in the last two years with travel restrictions in place. Members expressed their sincere gratitude to FSM for its contribution as Chair of the OCO, Annual Conference and Steering Committee in the past year, and welcomed Cooks Islands as the new OCO Chair and for the conference in 2021-2022.

Overview of Performance 2021 - 2022



16 OCO Training



10 Online Training



6 Collaborative Workshops



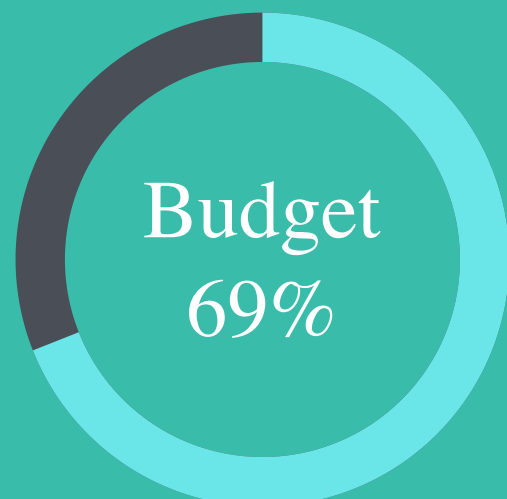
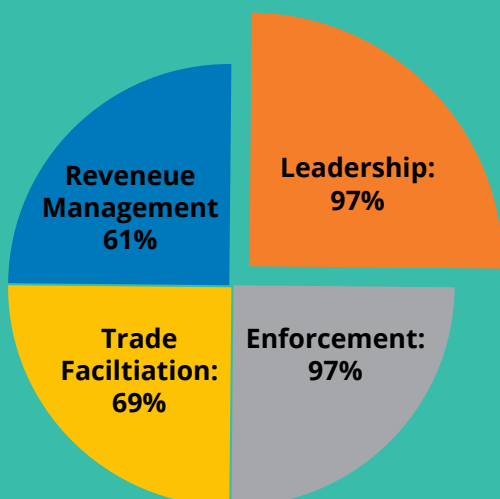
12 Representational Meetings

1485 Customs Officers Trained

58% Male

42% Female

Work Program & Budget Implementation



Timeline of Activity 2021-2022

August 2021

OCO and ABF host third OPSCA Regional Coordinators Forum

The Oceania Customs Organisation (OCO) with support from the Australian Border Force (ABF) held the third OCO Pacific Small Craft Application (OPSCA) Regional Coordinators Forum as part of its ongoing efforts to improve the region's capabilities in border security. The 26 regional coordinators who are being trained have been nominated from 14 countries and are managing the administrative needs of the OPSCA app and will also train Customs officers on the use of the app in their own administrations.

OPSCA was developed by ABF in collaboration with OCO to enhance border management and coordination amongst members in the region by collection of information on movement of yachts in the Pacific. The training on August 4 had 19 regional coordinators from 10-member countries- Australia, Commonwealth of Northern Mariana Islands (CNMI), Fiji, Federated States of Micronesia (FSM), Guam, Kiribati, Niue, Palau, Papua New Guinea (PNG) and Solomon Islands. "While most borders in the region are still closed and there is little movement of small crafts, we do have a positive in this pandemic in that it gives us time to continue to train our Customs officers and ensure we are better prepared to monitor our borders when they do open," OCO Operations Manager, Irma Daphney Stone said. Since the launch of the app last year, 14 OCO member countries have trained their officers on how to use it to monitor and record the movements of small crafts in their jurisdiction.

"We still have low data because of the closed borders but we envisage that when borders open up in the region, members will be more confident to use the app to record the movements of the small crafts, a major improvement from the past when members kept records in manual or electronic registers," said Mrs. Stone. The ongoing training of regional coordinators is to ensure there is uniformity within the region in the recording method of small crafts post-pandemic. In addition, the ABF has worked on adding new features to the app and the portal

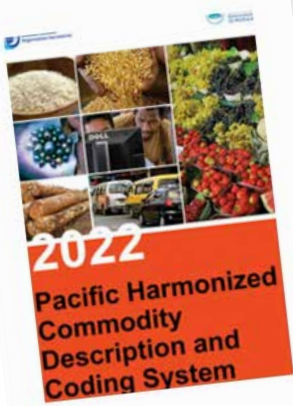


OCO Members Discussed the Adoption of PACHS2022

There is a general agreement in the Oceania Customs Organisation members of the importance of the Pacific Harmonized Commodity Description and Coding System (PACHS) 2022, the internationally recognized upgraded system of classifying goods promulgated by the World Customs Organisation (WCO), which comes into effect on January 1, 2022. The decision to adopt PACHS 2022 will be made by the OCO Heads of Customs in their annual meeting on August 26, 2021. PACHS is adapted from the Harmonized System (HS) used by 200 economies across the globe, but is adapted for use within the Pacific Customs administrations to calculate tariffs, taxes and collect international trade statistics.

The upgrading of PACHS is in line with the WCO HS 2022, and with a total of 351 sets of amendments covering a wide range of goods moving across borders. "PACHS 2022 incorporates all HS 2022 amendments and has been extensively peer reviewed due to its importance in our various economies in customs functions such as determining customs tariffs for imported and exported goods, calculating taxes and for trade statistics," OCO Head of Secretariat, Mr. Richard Brennan said. "The harmonization of tariff nomenclature amongst the Pacific Island Countries is part of OCO members' efforts to simplify intra-regional trade transaction and more importantly to contribute towards improving the quality of trade statistics compiled in the region."

OCO discussed the final stage of the review of the PACHS 2022 in a workshop last week with 42 participants from 17 OCO member countries. During the workshop, participants also received advice from Regional Harmonized System Expert, Mr. Viliame Raikuna on the transposition methodology and the establishment of sound classification infrastructure at national levels. Also, participants including East Timor discussed their respective implementation plans for HS 2022 and capacity building needs. A key outcome of the workshop was the provisional adoption of PACHS 2022 by the participants with the OCO Secretariat tasked to finalise the document for publication and adoption by the Heads of Customs at their annual conference on August 26.



When PACHS 2022 is adopted, members will go through their internal national process to prepare themselves to ensure effective implementation. PACHS2022 has been reviewed by OCO members, technical such as the Secretariat of the Pacific Community (SPC), United Nations Environment Program (UNEP), United National Conference on Trade & Development (UNCTAD) and World Health

including border measures to protect their citizens. Members also noted the priorities placed on ensuring the facilitation of essential goods by Customs administrations were consistent with the health protocols in place. To support vaccine supply chain in the Pacific, members also welcomed the Australian and New Zealand-drafted World Customs Organization Operational Guidelines for the Facilitation of Situationally Critical Medicines and Vaccines that would greatly support Customs administrations. Meanwhile, as Pacific Island nations respond to the impacts of COVID-19, Customs administrations also acknowledged OCO's capacity building efforts focus on COVID- 19 recovery, and the implementation of PACER Plus last year provided a useful tool to support economic recovery through greater trade.

Organisation (WHO). Some amendments as announced by the World Customs Organisation (WCO), include specific provisions for the classification of electrical and electronic waste, commonly referred to as e-waste to assist countries in their work under the Basel Convention.

September 2021
23rd OCO Virtual Annual Conference 2021

Despite border closures and reduced air and sea travel because of COVID-19, Customs administrations in the region say threats in the Pacific remain high from illegal, unreported and unregulated fishing fleets – as well as threats from illegal movements of people, drugs and weapons, which are often facilitated by trusted insiders.

The issue was discussed at the Oceania Heads of Customs annual meeting last Thursday (August 26), held virtually with 21 of the 23 Oceania Customs Organisation (OCO) members attending. Members agreed there is a critical link between national security and traditional customs functions and that the region is more secure if all parties work together through engagements with organisations such as the OCO and the Joint Heads of Pacific Security (JHoPS). "We all know that not all of us have ample resources to effectively carry out roles but if we share our resources and we work together, we will become more effective," OCO outgoing Chair and head of Customs of the Federated States of Micronesia, Salvador Jacob said. "A good example of regional collaboration is the Australian-developed Pacific Small Craft Application, which was launched last year to increase information sharing and enhance border security practices. This mobile app used by Customs administrations in the region will support secure movements in the Pacific in the future as it also includes a COVID- 19 quarantine tracking feature." OCO members also discussed the impact of COVID-19 on their respective countries and their national responses,

Fiji based OCO carried out capacity building activities in the Pacific, which included training in valuation, tariffs, vessel searches, border security assessments, small craft targeting, cargo search, e-commerce, disrupting criminal business activities, risk assessment, document examination, investigations and intelligence to bolster Pacific border security. "There is a silver lining to COVID-19, because of the border closures we have had to hold most of our training virtually," OCO Head of Secretariat, Richard Brennan said. "While it has been challenging, the positive is that we have been able to include more participants from the region. We need to continue building the capacity of our members so that we can be effective in our roles as we face and address the impacts of COVID-19 and the ongoing threats to our borders."

The meeting welcomed the incoming Chair Mr. Xavier Mitchell Head of Customs, Cook Islands. Dependent on the re-opening of borders, Cook Islands will host the 2022 annual conference and the Federated States of Micronesia in 2023. Both countries were unable to host the respective events in the last two years with travel restrictions in place.



October 2021

OCO joins global meeting to address illicit trade of dangerous substance

The Oceania Customs Organisation was part of the INCB 4TH Annual International Expert Group Meeting (EGM) on the Trafficking of Dangerous Synthetic Opioids, Fentanyl and Related Precursors through Postal, Express Mail, Courier and Air Cargo Services held last week. OCO Manager Operations, Mrs. Irma Daphney Stone also presented at the meeting, sharing the latest trends of interception of illicit drugs and non- scheduled drugs by OCO members for the one- year period from July 1, 2020 to June 30, 2021.

The meeting hosted from Vienna, Austria included experts from 29 government agencies worldwide including representatives of the transport sector, as well as regional and international operational organisations such as the World Customs Organisations (WCO) and the United Postal Union (UPU).

Experts were encouraged to have a comprehensive discussion and make broad- based recommendations to combat threats and address the UN Sustainable Development Goals to effectively counter the global drug problem. The EGM focused on international postal, express courier and air cargo threats and trafficking of dangerous synthetic opioids, fentanyl and related precursors. One of the outcomes of the EGM is the development of the "Practical Guidance for the Postal and Express Couriers on Prevention and Interdiction of Non- Medical Synthetic Opioids and Fentanyl".

The guide was developed in consultation with stakeholders such as WCO, UPU and the public and private sector who shared best practices. This is a living document and is subject to upgrades with the dynamics of trade. EGM participants also shared the results of the Operation "New Horizon" (Ops NH) that was conducted as a recommendation of the preceding EGM.

Ops NH involved around 165 personnel in a 3- week operation that resulted in vast seizures of non-psychoactive substances such as Tramadol and Tapentadol. The operation was a success in dismantling the illicit manufacturers and illegal movement of the dangerous substances. Meanwhile, the event also provided an opportunity for bilateral meetings. OCO held a bilateral meeting with the US Postal Inspection Services to discuss potential partnership in the enforcement field. The US Postal Services renders their service in most parts of the Northern Pacific and this EGM provided an

opportunity to foster partnership with the private sector.



Train the Trainers Workshop on APAN

The Oceania Customs Organisation (OCO) and All Partners Access Network (APAN) Community recently held an APAN Train the Trainer (TtT) workshop to improve the usage of the information sharing tool by Intelligence Contact Point (ICP) members. This followed the increase in the usage of the tool in the last 10 months, which led to the quick resolution in combating suspicious events at our borders.

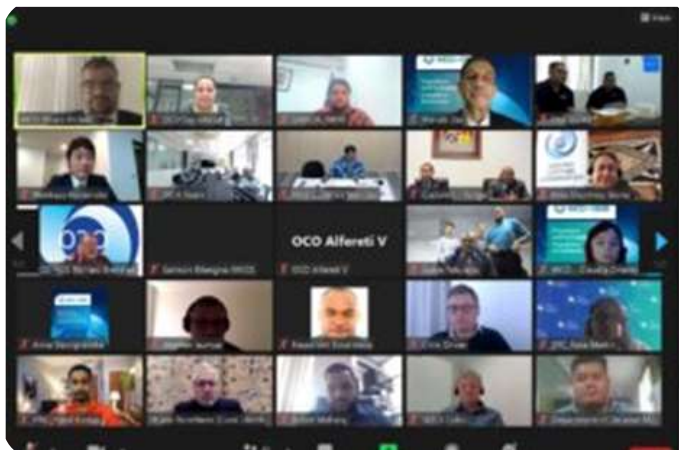
A few of the regional enforcement operations had been managed through this tool. The training was specifically aimed for OCO-ICP members who regularly used the OCO-APAN Community to share information amongst the membership and enforcement partners. Following the basic training in late November 2020, Customs intelligence members have extended their capability in reaching out to their counterparts in the membership and the enforcement partners to share delicate and timely information on suspicious trade, travellers, and vessel movements. This emanated the need for ICPs to take advanced training on APAN so that more features of the tool could be fully utilised to run operations and information sharing with efficiency and effectiveness.

Thirty-nine participants from the 14 member countries – American Samoa, Australia, CNMI, Cook Islands, Fiji, FSM, Guam, Palau, RMI, Samoa, Solomon Islands, Papua New Guinea, Tuvalu and Vanuatu registered for the workshop. The training was held virtually on Adobe Connect, a tool to host conferencing and training on APAN. This was facilitated by the APAN Expert based in North Carolina, USA.

"The timely sharing of information culminates into a collaborative approach to combat organized crimes," OCO Head of Secretariat, Richard Brennan said. "Working in silos has never helped any nation to dismantle transnational crimes. You can cut the tip of the syndicate but would not be able to uproot it completely."

November 2021

Preparing Customs administrations for natural disasters response



Customs administrations and border agencies in the region shared experiences and learned best practices on how to respond better to natural disasters and infectious diseases through a four-day workshop facilitated by the World Customs Organization and the Oceania Customs Organization.

With the support of the Japanese Government, WCO held the workshop in the framework of its COVID-19 project that aims to help members, especially the least developed and developing countries to effectively respond to the



impacts of COVID-19, other infectious diseases, and disruptive events to ensure the security, stability, and continuity of global supply chains, while facilitating and expediting global supply of emergency relief goods.

OCO Steering Committee Chair & Head of Cook Islands Customs, Mr. Xavier Mitchell, “Every year the Pacific region experience the recurrence of natural hazards, with high exposure to cyclones, earthquakes, tsunamis, floods, tidal surges, landslides, droughts, forest fires, and volcanic eruptions, in addition to epidemics,” OCO chairman, Xavier Mitchell said. “With a total population of 10 million people spread across a vast area, the death toll and number of victims of natural hazards may appear low in standard disaster statistics. However, the Pacific countries rank among the highest in casualties and people affected per number of inhabitants, and statistics also show that Pacific Island countries such as Papua New Guinea, Fiji Islands, Solomon Islands, Cook Islands, Tonga, and Vanuatu rank among the world’s worst affected in terms of casualties and people impacted by disasters. “As the primary enforcement authority for regulating

imports and exports, Customs administrations are key players in the global supply chain. We ensure the stability and continuity of the supply chain by facilitating and expediting the movement of relief and other critical goods during natural disasters and pandemics. The COVID-19 pandemic is a prime example of the critical role Customs play in implementing standards and measures necessary to minimise the overall impact of the pandemic on our economies and communities”, Mr. Mitchell added.



Heads of Customs Administration attending the 23rd OCO Virtual Annual Conference held on 26th August 2022.

The WCO COVID-19 project, Australian Border Force (ABF), Asia Pacific Economic Cooperation Forum (APEC), and the Pacific Islands Forum (PIFS) have developed guidelines on disaster management and supply chain continuity which members can follow to help them better manage any disruption in the future.

The WCO guidelines were finalized and approved by the WCO Council during its 138th Sessions and will be updated when required to reflect possible new inputs or contributions from Customs administrations and stakeholders. The APEC guidelines were developed in collaboration with New Zealand Customs as Chair of the 2021 meeting. In the Pacific Islands, WCO through the OCO and its members is working to foster the sharing of regional experiences of the COVID-19 crisis as well as garner national support in the development and implementation of Standard Operating Procedure (SOPs) for the priority release of relief goods.

This four-day workshop has identified challenges, potential solutions, and mechanisms to facilitate cooperation in the event of a disaster including the current COVID-19 pandemic; promote the WCO instruments and tools relevant to the context of disaster relief for Customs administrations in the Pacific, and provide information on international instruments and OCO members tools and best practices for the release of relief goods.

Mr. Jayvee Santos of the United Nations Conference on Trade and Development (UNCTAD) advised the workshop of the Automated System for Relief Emergency Consignments (ASYREC), a new module to help countries using the Automated Systems for Customs Data (ASYCUDA) to lodge, clear and move disaster goods with expediency. International Federation of the Red Cross representative Mr. Meiapo Faasau also advised the workshop on the need for nations to adopt a national register of approved donors and non-governmental organisations to limit unwanted and unsolicited goods from being dumped into a country during a disaster.

“We also hope to develop a plan for the region to move forward for closer cooperation, and some countries will also assist in the drafting of SOPs for the clearance of relief goods, which can be used as a model in other countries,” OCO Head of Secretariat, Richard Brennan said. The workshop ended on October 26, 2021.

PACER Plus Countries Build Capacity to Improve Implementation of Agreement

Almost a year since the PACER Plus agreement came into effect, countries met to discuss opportunity areas in the implementation of the trade tool. Oceania Customs Organisation (OCO) and the PACER Plus Implementation Unit (PPIU) convened a virtual workshop of trainers this month from Cook Islands, Kiribati, Niue, Samoa, Solomon Islands, Tonga, Tuvalu and Vanuatu to review the capacity of these islands in the implementation of the Rules of Origin (RoO) of the PACER Plus agreement.

Customs administrations determine duties or impose restrictions on products depending on its country of origin. RoO is the criteria of determining the source of goods and its correct application is critical in the implementation of the PACER Plus agreement, for the collection of accurate trade statistics and revenue collection as well. “OCO had helped countries prepare for the implementation of the country through training of trainers and we will continue to do in future,” Richard Brennan, Head of OCO said. “This latest workshop was to take stock of the progress of RoO capacity building at national level in the countries, share experiences and knowledge and discuss opportunities for further strengthening competencies of the trainers.”

From December till February 2022, RoO Trainers will run national training on the subject which will be supported by the PPIU and OCO in the eight countries that have ratified PACER Plus.



Millions of Pacific Islanders at Risk of Counterfeit Items

Tonga’s Ministry of Revenue and Customs CEO, Kelemete Vahe has called for more regional commitment towards the protection of Intellectual Property Rights (IPR) to protect millions of Pacific Islanders from receiving counterfeit items, which could pose economic, social and health hazards. Mr. Vahe made the comments at the IPR Legislative Framework Dialogue organised by the Oceania Customs Organisation (OCO) and the United States Patent and Trademark Office (USPTO), happening this week to discuss the progress of Pacific Island countries’ implementation of IPR laws. OCO and USPTO had earlier signed an agreement to develop IPR legislation for 14 selected OCO members- Federated States of Micronesia, Fiji, Kiribati, Marshall Islands, Niue, Nauru, Palau, Papua New Guinea, Samoa, Solomon Islands, Timor Leste, Tonga, Tuvalu, and Vanuatu.



The two organisations are working to ensure an IPR legislative framework is in place within the Customs administrations of the 14 selected members, compatible with U.S. IPR legislation, the World Trade Organisation (WTO) agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPs) and local practices. An important role of Customs administrations is to prevent counterfeit or pirated goods from entering communities or crossing the borders.

The challenge however has been striking the balance

between regulating and facilitating trade and ensuring that the flow of genuine merchandise is not impeded. USPTO's Peter N. Fowler, Senior Counsel for Enforcement and one of the key facilitators at the dialogue, said counterfeiting was a global challenge that was getting harder to tackle. Mr. Fowler said because criminals continuously changed their modus operandi such as transit and shipping routes, it was critical for the region to work together in having similar IPR laws.

During this COVID-19 pandemic, Mr. Fowler said there was an increase in counterfeit masks, hand sanitisers and even vaccines and COVID-related medicines. This week, Papua New Guinea urged IPR holders to register with them for the enforcement of their rights at the border. OCO Head of Secretariat, Richard Brennan said having a proper and strong IPR legislation in place will enhance and strengthen economic growth as well as coordination between border and law enforcement agencies and enhance coordinated border management. This week's dialogue brings together intellectual property contact points, IPR legal experts and representatives from solicitor general's offices, IPR technical experts, intelligence officers, Customs officers, and relevant stakeholders to discuss the status of their respective IP laws. "The dialogue is an awareness meeting before the actual IPR support work and training commence giving members the opportunity to share their country's experiences with respect to the status of their IPR laws," OCO Manager of Operations, Mrs. Irma Daphney Stone said. "This is also an opportunity for all parties to understand the purpose and aim of the project, its relevance to encouraging investment in innovation, fostering entrepreneurial spirit and protecting the public and consumers from risks and threats to public health and safety." Mrs. Stone said protecting society from counterfeit goods that can lead to severe health and safety issues is, and will remain, a high priority for Customs administrations.

USPTO's support to OCO includes the provision of IPR experts to provide training as well as sharing their experiences and knowledge at the dialogue. Today, the United States Homeland Security Investigation and Pfizer will present on the enforcement aspects of IPR and the potential emerging threats to pharmaceutical regime.



December 2021

OCO members supported with mobile phones and search kits

As borders around the Pacific region prepare for re-opening, Customs administrations are also leveraging their capacity in border security. Ten OCO member countries- American Samoa, Cook Islands, Guam, Federated States of Micronesia, Kiribati, Niue, Papua New Guinea, Palau, Solomon Islands and Vanuatu- are recipients of mobile phones and search kits provided by the Australia Border Force to leverage their efforts in using the small craft app.

Also, included in the kits are equipment and tools to help Customs officers when they board vessels or during rummage exercises. Rummaging is the intensive search of a vessel or aircraft, suspected of concealing contrabands and antisocial goods.

Customs officers do not rummage all vessels or aircraft but those that have been identified during the targeting and risk profiling process. The mobile phones will help OCO members track the movement of small crafts through a mobile app called the OCO Pacific Small Craft App (OPSCA), which was developed by the Australian Border Force (ABF). The use of the phones and the app also enhances the sharing of information between agencies as it would be more efficient and timelier.

OPSCA also leverages the analysis capability of Customs administrations on movement of yachts in the Pacific and adds value to intelligence gathering on small crafts. Whilst the ABF is supporting members with the mobile phones, they also deployed to OCO funding support to members for data lasting a year. Small craft remain a high threat to all countries in the Pacific for several illicit activities, including the movement of weapons, drugs, and people.



January 2022

New Goods Classification System in Effect

The Pacific Harmonized Commodity Description and Coding System (PACHS) 2022 came into effect as at January 1st, 2022.

PACHS 2022 is adapted from the Harmonized tariff classification System (HS) used by 200 economies across the globe and adapted for use within the Pacific Customs administrations to identify tariffs, impose correct taxes and collect international trade statistics; it was accepted by the OCO Heads of Customs during their annual meeting on August 26, 2021. PACHS 2022 has been reviewed by OCO members, technical agencies such as the Pacific Community (SPC), United Nations Environment Program (UNEP), United National Conference on Trade & Development (UNCTAD) and World Health Organisation (WHO).

Preparations for the updated coding system have been ongoing since 2020, OCO and other development partners-Pacific Community (SPC), United Nations Environment Program (UNEP), United National Conference on Trade & Development (UNCTAD), World Health Organisation (WHO) and New Zealand Customs Service have been conducting workshops and trainings to help customs administrations in the region interpret and apply HS 2022 and its amendments.

The upgrading of PACHS is in line with the WCO HS 2022, and with a total of 351 sets of amendments covering a wide range of goods moving across borders. Some amendments as announced by the World Customs Organisation (WCO) include specific provisions for the classification of electrical and electronic waste, commonly referred to as e-waste to assist countries in their work under the Basel Convention.

“OCO will continue to offer its support to all its 23 members in the implementation of PACHS 2022 considering its significant importance in customs functions such as determining customs tariffs for imported and exported goods, and calculating correct taxes whilst gathering trade statistics for use by Government and non-government agencies,” OCO Head of Secretariat, Mr. Richard Brennan said. He added “PACHS 2022 is critical in the harmonization of tariff nomenclature amongst the Pacific Island Countries to simplify intra- regional trade



transaction and enhance the quality of trade statistics compiled in the region, we are very grateful to the input from SPC and our technical working group for the assistance in developing PACHS 2022”.

International Customs Day 2022: Customs administrations role in the region more critical than ever

The OCO Secretariat celebrated and paid tribute to the work of Customs officers as front-liners keeping our borders safe, as critical market players enabling the free flow of goods in the region and as revenue collectors to allow governments to continue to provide critical services to their citizens.

Across the globe, the 183 members of the World Customs Organization (WCO) are celebrating International Customs Day today with the theme focusing on digital data, “Customs Digital Transformation by Embracing a Data Culture and Building a Data Ecosystem”. In recognition that OCO members are in various stages of digital development, the OCO Secretariat has decided this year will be themed as “Embracing Customs Technology”– to encourage all our members to prepare and adapt to a technologically proficient Customs service.

“In the Pacific over the last two years, the OCO Secretariat and our members have had to navigate our way through the COVID-19 pandemic and find new ways to remain responsive and serve our stakeholders,” OCO Head of Secretariat, Richard Brennan said. “This has included a shift to online functionality in service delivery with a renewed focus on core Customs skill required by the frontline officers. The modern work of Customs requires an automated function and use of technology to facilitate trade, collect revenue, and utilise risk based limited interventions on cargo through automated lane assignment. “OCO endeavours to deliver automation across our membership for some time and with the advent of the Automated Systems for Customs Data (ASYCUDA) project from UNCTAD, through its Pacific Agreement on Closer Economic Relations (PACER) Plus and the European Development Fund 11- IMPACT(EDF11) project, we will see this eventuate into a reality in the next few years across our broader membership, we have recently witnessed Kiribati and Tuvalu shift to ASYCUDA, so it is happening.”

In the Pacific, Vanuatu is one of the countries that has taken a lead role in e-commerce with its electronic single window system allowing Customs and Biosecurity clearances to be done online. Meanwhile, Mr. Brennan also thanked all Customs officers in the region for being

diligent in their work for the benefit of all Pacific Islanders.

"It is not just COVID-19 that they are trying to keep you safe from, we must remember they are also working against criminals trying to infiltrate the region with illicit drugs, guns and contrabands," Mr. Brennan said. "We have done well in the last two years, but it has not been a good start to 2022 for us in region with Samoa and Solomon Islands confirming their COVID-19 cases.

"Further, we think of our Tongan family- the OCO Secretariat is ready to provide any possible support to the Ministry of Revenue and Customs in Tonga. We understand the critical role Tonga's Customs administration will play in ensuring that relief assistances are provided in a timely manner and at the same time COVID-19 protocols at the borders are followed as Tonga is still COVID free. OCO members are ready to support our Tongan counterparts in whichever way we can.

"We are the Pacific, we strengthen our resilience by embracing technology. Happy International Customs Day."



February 2022 Customs Officers Improve Skills to Fight Counterfeiting

Over 100 officers from 16 countries are part of a regional effort to protect the Pacific from the economic, social, and health hazards of counterfeit items. In February 2022, the United States Patent and Trademark Office (USPTO) and the Oceania Customs Organisation (OCO) started a six-week 1-hour training series that will help Customs officers improve their skills in detecting contrabands and fake products at the borders.

Customs officers attending the Intellectual Property Rights (IPR) Brand Protection and Product Identification training this week. Customs enforcement officers, Customs

intelligence officers, national intellectual property rights (IPR) contact points and Customs border officers are attending the virtual training on "Intellectual Property Rights (IPR) Brand Protection and Product Identification," which started on 9 February and ends on 16 March.

The officers will learn the basics of identifying branded products and develop their skills in targeting and profiling suspicious products. "Counterfeiting is a global challenge and millions of Pacific Islanders are at risk daily from counterfeit items that could cause economic, social, and health harms," USPTO, Senior Counsellor Peter Fowler said. "During this pandemic, we have seen a rise in counterfeit items—even vaccines, masks, and sanitizers. Customs officers are the first line of defence at the borders, and it is important that they are equipped to distinguish fake products from genuine ones."

OCO and the USPTO had earlier signed an agreement to develop IPR legislation for 14 selected OCO members: Federated States of Micronesia, Fiji, Kiribati, Marshall Islands, Niue, Nauru, Palau, Papua New Guinea, Samoa, Solomon Islands, Timor Leste, Tonga, Tuvalu, and Vanuatu. The two organisations are working to ensure an IPR legislative framework is in place within the Customs administrations of the 14 selected members that is compatible with U.S. IPR legislation, the World Trade Organisation (WTO) agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPs), and local practices.

"Customs plays a critical role to prevent counterfeit or pirated goods from entering communities or crossing the borders, but the challenge is striking the balance between regulating and facilitating trade and ensuring that the flow of genuine merchandise is not impeded," OCO Head of Secretariat, Richard Brennan said.

"This is an important training to develop the skills of our members, which is critical to their administrations and the Pacific region."



Launch of New official OCO Secretariat Website

February 18th, 2022 marked the official launch of the newly revamped OCO Secretariat website. After some months of working with our website developers Pacific Bedbank (Fiji) we are proud to present a revamped website that is in line with our vision.

The newly developed site embraces a Pacific themed background and includes the all too familiar faces involved in the administration of cross border activities that aims to improve efficiency and economic prosperity whilst achieving the highest safety measures in protecting our regional borders. The new site has a clean and uncluttered design together with a new layout to improve functionality as well as enhanced rich content structure to improve overall user experience.

The upgraded platform comes with enhanced security features together with improved analytics and monitoring to optimize our website performance. Moreover, our new site is an enabling virtual presence for members to increase collaboration and information sharing as well as news of regional and global interest.

Particularly the features of the new website are aligned to the latest trends and technology to give OCO's online presence a more user friendly feel and act as a hub for information sharing and discussions.

The site features provisions for event registrations, tender/job application features as well as a member's area for sharing of information and accessing e- information/ learning platforms. As more people become accustomed to mobiles and tablets, this site has been developed to be compatible across all platforms making it easily accessible.



Women Customs Officers – Advancing Together

There is a need to break the bias in Customs in the region and encourage more women in leadership positions, OCO Head of Secretariat, Richard Brennan says. Of the 23 countries in the OCO membership, only four Customs administrations are led by women.

“Obviously, we need more gender equality across the workforce and in leadership roles in our Customs administrations,” Mr Brennan says. “Across the region, we recognise talented women are working in all areas of Customs, and OCO is committed to see them grow professionally and lead border security, trade facilitation and revenue collection in the region.”

Mr Brennan’s comments come as 61 women Customs officers from 17 countries participate in the inaugural Pacific Women’s Professional Development Program (PWPDP) aimed at building leadership skills and enhancing Customs networks. The virtual course, which runs until 11 March, is a partnership between the Australian Border Force, RMIT University and the OCO.

ABF Inspector Michelle Bond reaffirmed: “ABF is committed to actively advance women in Customs. The PWPDP is all about proactive, innovative, collaborative and inclusive leadership. Women play an important role in protecting our borders, and I’m excited to be part of this learning journey.’

Phillip Dowler, Director of the RMIT Transnational Security Centre, shared: “If we are not engaging women, we are missing out on 50 per cent of the best people. Through our international programs over the past two decades, we’ve seen that women’s engagement in law enforcement results in much better outcomes.”

“This is the largest training for women Customs officers ever undertaken within the OCO membership. When women lead, we all win,” Mr Brennan says. “We look forward to providing more training opportunities and professional development programs for our women Customs officers.”



March 2022

OCO Celebrates 'Women in Customs' – Yes We Can!

In celebration of International Women's Day, the Australian Border Force, the Oceania Customs Organisation and RMIT University pay tribute to impressive cohort of women serving in Customs administrations across the Pacific region.

If you think Customs is a job for the boys, think again! Women across the Pacific are actively facilitating international trade, preventing the illicit movement of goods, and keeping our borders secure.



Women are serving at every level in Customs administrations across the region. Supervising Customs Officer Renie Asi shared: "We serve as frontline operational officers, in our headquarters, and in senior management roles. New Zealand Customs Service is one of four Customs administrations in the Pacific headed by a woman. We all take pride in contributing to the challenging and rewarding work of border protection."

Captain Barbara Tayama from Guam Customs and Quarantine Agency explained: "I'm committed to keeping my country safe. Throughout my 28-year career in Customs, I've been involved in a range of rewarding career opportunities, including executing search warrants, surveillance and arrests."

Senior Customs Officer Tale Tikoisuva was one of the first women to apply to work as a detection dog handler for Fiji Customs and Revenue Service. She explains: "Women in Customs are breaking the bias by stepping up to any challenge and showing everyone that we are competent and capable."



Acknowledging the 2022 IWD theme, Inspector Michelle Bond from Australian Border Force said: "It's time to break the bias. Women in Customs are succeeding and achieving. Women are disrupting drug trafficking, intercepting harmful shipments, detecting revenue fraud and representing their agencies with distinction." The Oceania Customs Organisation (OCO) encourages the next generation of women to consider an active, fulfilling and dynamic career in Customs.

Daphney Stone, OCO Operations Manager who was the first woman to serve as CEO at the Ministry of Customs and Revenue in the Kingdom of Tonga said: "Women have been under-represented in Customs, but the tide is changing, and women's engagement is expanding across the region. We salute those agencies who are taking active steps to recruit, retain and advance women in Customs."

Phillip Dowler, the Director of RMIT University's Transnational Security Centre explained: "We are currently working with 61 outstanding women Customs' leaders from 17 Pacific countries through the Pacific Women's Professional Development Program (PWPDP), and the message is loud and clear – WOMEN CAN! Women bring incredible talent to Customs administrations."



Customs Officers equipped to Adapt to Changing Landscapes of Work

Customs administrations in the Oceania region are better equipped to adapt to the changing landscapes of border security, trade facilitation and revenue collection following the graduation of 49 Customs officers with a Certificate III in Regional Customs Administrations.

women was delivered by the Centre for Customs and Excise Studies (CCES) at Charles Sturt University in Canberra, and the Oceania Customs Organisation. CCES is the world's leading provider of research, training and education in the highly specialised areas of customs and border management. In partnership with a number

of universities, customs colleges and other educational institutions, CCES delivers a range of accredited academic and vocational courses relating to customs administration, border management, excise and revenue management and international trade.

CCES is recognised by the World Customs Organization (WCO) as international leaders in the field of customs education and plays a key role in establishing and maintaining the WCO professional education standards as a foundation member of the WCO Partnership in Customs Academic Research and Development (PICARD).

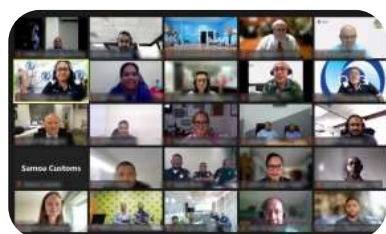
Customs officers were required to complete eight of eleven modules including the core subjects of risk management, ethics and governance, enforcement and compliance, tariff, valuation and legislation. CCES Chief Executive Officer, Professor David Widdowson said the course was significant for Customs officers as it provided them with an opportunity to obtain a formal qualification in a specialised Customs course.

Participants of the course were from American Samoa, Commonwealth of the Northern Mariana Islands, Cook Islands, Fiji, Federated States of Marshall Islands, Guam, Kiribati, Nauru, Niue, Palau, Papua New Guinea, Samoa, Solomon Islands, Tonga, Tuvalu, and Vanuatu. As the course was being held at a time when the Pacific region experienced waves of the COVID-19 pandemic, Customs officers were faced with challenges.

Solomon Islands Head of Customs Administrations, James Sutton said officers who part of the course often came to work in the weekends to complete their studies due to inaccessibility to computers or the internet.

In Nauru, Head of Customs Dr Jennifer Clarke said she opened her home to her two officers and she also assisted them in understanding and completing the modules of the course. The two officers will now have to share their knowledge and experiences with fellow Customs officers in Nauru.

Many of the students are now considering using their Cert III qualification to continue their studies by enrolling in the Certificate IV in Regional Customs Administration which is due to commence on 21 March, 2022.



April 2022

OCO Members Beef Up Border Re-Opening Preparation

As Pacific Island nations announce their easing of travel restrictions and opening of borders, Customs agencies are preparing for the increase in visitors, which also brings risks of transnational crimes to our shores.

The Australian Border Force and the OCO Secretariat worked with Customs agencies to refresh officers with the latest updates in the mobile app- the OCO Pacific Small Craft App (OPSCA). "Obviously, with the cyclone season ending this month, the new yachting season begins and while we encourage as many yachts as possible to visit the Pacific Islands, we are also mindful of the risks associated," OCO Head of Secretariat, Richard Brennan says.

"The mobile app has been used over a year now by most of our members but there quite a few operational issues had been picked up which needed further enhancement of the app features. We need to update our members, the users, so that the app fulfils its purpose which is to assist us in gathering information and intelligence on the movement of small craft vessels."

The OPSCA is a modern technology to assist Border Agencies with information collection and leverage the analysis capability on movement of yachts in the Pacific. The OPSCA adds value to intelligence gathering on small crafts and prepares the Pacific to take proactive approaches for any suspicious craft movement.

For some OCO member countries, this is the first modern digital software for recording the small craft movements thus there were teething problems. A feature of the app- "Be on Look Out", which is being developed is expected to help users track and capture the movement of suspicious small crafts. The need for this feature arose because there had been an influx of suspicious small crafts found in the Blue Pacific waters that were being followed by Customs and enforcement partners.



May 2022

OCO Secretariat visits US on a Study Tour

The United States Patent and Trademark Organization invited members of the OCO Secretariat to visit the United States of America on a study tour. OCO Head of Secretariat Mr. Richard Brennan and an OCO team consisting of Ms. Irma Daphney Stone- Operations Manager, Mr. Mohammed Ajaz – Customs Enforcement Advisor, Ms. Tokanuea Karakaua –Project Research Assistant and Mr. Etison Sadang – Palau Customs recently toured the United States on an invitation from the United States Patent and Trademark Organization (USPTO) from April 30 to May 4 to explore first-hand and learn about the detection of counterfeit goods. The team visited attended the International Anti- Counterfeiting Coalition (IACC) and the International Trademark Association (INTA) annual conferences held in Washington DC. They also were able to tour some of the US Border Protection Units in Washington and San Francisco as well as testing laboratories and offices of renown brands.

“It was a good opportunity to all meet with USPTO and discuss our joint IPR project and enforcement activities. We were also fortunate to meet with other intellectual property organisations and associations. “One of the highlights of the tour was the opportunity to visit the Intellectual Property Coordination Centre and testing laboratory. The WTO TFA suggests there should be testing labs for WTO aligned nations, and there is a need to develop testing laboratories in the region that are scoped for purpose and economically responsive,” Mr. Brennan added.



Joint OCO/PITAA Workshop on Customs Valuation and VAT Workshop

The Customs Valuation and VAT virtual regional workshop held in late May 2022 was aimed at strengthening the working relationship between the tax and customs compliance teams in Pacific Island Countries (PICs). It focuses on creating a shared understanding of the

part each organization plays with an emphasis on VAT, Valuation, Post Clearance Audit and compliance processes. It assumes a basic knowledge of the subject but works as a refresher to strengthen the collaboration between the work of Customs and Tax within the region. The main objective of the workshop is to strengthen the close working relationship between Customs and Tax administrations. As the State/Government revenue agencies, Customs and Tax must work closely together, share information and create the conditions that enable stakeholders and taxpayers to be compliant with the laws and act for non-compliance. Customs PCA auditors and Valuation officers will describe the processes in relation to (a) import declarations and export declarations; (b) the Valuation system that Customs use to value goods; (c) will compare Transfer Pricing concept against the Customs Valuation and Tax.

The presentations delivered by facilitators were based cases on Customs Valuation within their respective administrations and also using their experiences within the Pacific region. Facilitators touched on introducing the Customs Valuation system, methods of Valuation in brief and also introduced the Single Administrative Document (SAD) where all information relating to imports and exports are captured and inputted into the Customs computer system. The calculation of Customs duties including the VAT from Fiji experiences was shared with participants.



June 2022

WCO Asia/Pacific Sub-Regional Data Analytics Hybrid Workshop for Pacific Islands

The WCO Asia/Pacific Sub-Regional Data Analytics Workshop for Pacific Island was held from 7 to 9 June 2022 in Nadi, Fiji by a hybrid format allowing for remote and on-site participation. Mr. Ilkwon HAN, Program Manager of the ROCB A/P attended as facilitators/coordinators for the workshop and Ms. Sherman Yu, Program Manager also participated from the ROCB A/P.

The Workshop was the second hybrid sub- regional workshop in AP region, hosted by the ROCB A/P in close cooperation with the WCO and OCO under the sponsorship of the Korea Customs Cooperation Fund (CCF/Korea). In total 21 participants (on-site 9, online 12) from 12 Customs administrations in the Pacific Island attended the Workshop together with the data experts from the WCO and KCS.

WCO has been focusing on supporting the small island members by developing the SIEs Guidance Document in June 2020. Furthermore, ROCB AP are also working on RSP 2020-2022 to support the modernization efforts of Pacific Members who categorized as SIEs. In this regard this workshop has important contents and purposes of WCO. During the workshop, experiences from 4 WCO members, namely Fiji, PNG, Samoa, Vanuatu and 2 OCO members namely, CNMI, Nauru were shared through the country presentations and the participants actively participated in the discussion for benchmark and information sharing.

In addition, WCO and KCS Data Strategy were introduced along with BACUDA algorithm and data analytics experience from Lesotho case. The active contribution of the participants resulted in a successful workshop and this workshop supported enhancing communication and information sharing among Member administrations even in the pandemic situation. The participants expressed their appreciation to the Korea Customs Service, the WCO, the ROCB A/P, the OCO Secretariat and the experts for their support to the workshop.

the workshop, however officers from FSM, Palau, and RMI were unable to attend. Positive outcomes of the workshop included enhanced capabilities and skills of officers in identifying common counterfeit goods and genuine goods at the borders, identifying counterfeit goods in e-commerce and better understanding of customs recordation, a useful tool to use against importing counterfeit.



Figure 1: Participants at the Indo-Pacific Regional Workshop on Enforcement against Trade in Counterfeit Goods, 28-30 June 2022, Bangkok, Thailand



Indo-Pacific Regional Workshop on Enforcement Against Trade in Counterfeit Goods

In the month of June 28th to 30th, the OCO in partnership with the USPTO organised to have selected Customs and IPR Contact Points to attend the Indo-Pacific Regional Workshop on Enforcement Against Trade in Counterfeit Goods in Bangkok, Thailand. Customs & IPR officers from American Samoa, CNMI, Fiji, and Guam attended

Donors and Partners 2021-2022

The OCO is a member driven organisation supported by a large network of donor partners who help fund activities required to implement the Work Program, in addition to offering their knowledge and expertise to support our work.

We gratefully acknowledge our development partners:

Fiji Revenue & Customs Service

- Office accommodation, in kind support and host-country obligations under the host country Agreement.
- Fiji Ministry of Foreign Affairs for support of Diplomatic provisions offered to the OCO.

Australian Border Force

- Core budgetary support for the OCO operations.
- The ongoing development of the small craft application for our members.

Australian Department of Foreign Affairs & Trade

- PACER Plus Readiness Package carry overs to support the PICs signatory countries to prepare for PACER Plus implementation, and their support towards PIC's improved access to international markets.
- Capacity building support on the OPSCA

International Narcotics Control Board

- Information material and posters on handling of dangerous substances
- Basic testing kits for chemicals
- Technical training on secure information platform and data analytics tools

New Zealand Ministry of Foreign Affairs & Trade

- Core budget support for the OCO operations.
- PACER Plus Readiness Package carry overs to support the PICs signatory countries to prepare for PACER Plus implementation, and their support towards PIC's improved access to international markets.

New Zealand Customs Service

- Additional support for the OCO operations technical activities.

United States Department of Interior

- Financial Support to the Guam Customs and Import Operations Modernization

United States Patent and Trademark Office

- Financial and Policy development support for the Intellectual Property Rights work program.

Partnership Collaborations

The OCO has a broad range of partners it collaborates with which are detailed on page 47 onwards.

To implement our 2021-2022 Work Program, we collaborated with the following Organisations in shared aims to secure a safer and prosperous region:

- Australian Border Force for the development and training provided to regional customs administrations of the Pacific Small Craft Application and Maritime Border Fundamentals, the technical assistance in the illicit tobacco operation, the support in the Intellectual Property work, the successful implementation of the PWPDP in collaboration with RMIT, as well as many other technical and in-kind support provided.
- Australian National University- Pacific Security College, the Pacific Immigration Development Community Secretariat and Pacific Island Chiefs of Police Secretariat for their continued collaboration in developing sub regional and regional border enforcement activities as a means to working towards a more secure Pacific.
- Asia Pacific Group on Money Laundering (APG) for its assistance in capacity building the Anti Money Laundering network.
- Charles Sturt University-Centre for Customs & Excise Studies for assistance in development of on-line training modules for our membership via the OCO Professional Standards Framework including Cert III and Cert IV programs.
- New Zealand Customs Service for its continued support in trade and revenue activities. The provisions of their technical Experts also prove to be a valuable asset.
- Pacific Islands Forum Secretariat and the Regional Security Task Force in delivering the Pacific Humanitarian Pathway protocols as well as the drive in coordinating the Pacific Regional Security Committee meetings.
- Pacific Financial and Technical Assistance Centre and Pacific Island Tax Administrators Association for the collaboration in revenue training activities including the Valuation and Tax workshop.
- The Pacific Community for their work in the PACHS2022 SITC and the PACCOM Trade database.
- United Nations Office on Drugs and Crime (UNODC) International Narcotics Control Board (INCB) with their IONICS program and supporting the emerging container control program in the Pacific.
- United States Joint Interagency Task Force West (JIATFWEST) for assisting with the APAN network.
- United States Trademark and Patent Office, US Department of Justice and US Immigration & Customs Enforcement (USICE) for continued support in improving Intellectual Property Rights enforcement in the Pacific as well as the development of Webinars to assist our membership in their capacity building activities.
- United Nations Conference for Trade and Development (UNCTAD) with its ASYCUDA Implementation program and evolving EDF11 EU trade facilitation measures.
- World Customs Organisation and ROCB Asia Pacific for technical support for small island economies.
- World Health Organisation supporting illicit tobacco trade activity.

2021/2022 Financial Report

Financial Statements For the year ended 30 June 2022

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OCEANIA CUSTOMS ORGANISATION SECRETARIAT
STATEMENT BY THE HEAD OF SECRETARIAT
FOR THE YEAR ENDED 30 JUNE 2022

As the Head of Oceania Customs Organisation Secretariat (the Organisation), I hereby declare that:

- a) the accompanying statement of financial position of the Organisation is drawn up so as to give a true and fair view of the state of affairs of the Organisation at 30 June 2022;
- b) the accompanying statement of profit or loss and other comprehensive income and retained earnings is drawn up so as to give a true and fair view of the results of the Organisation for the year ended 30 June 2022;
- c) the accompanying statement of cash flows is drawn up so to give a true and fair view of the cash flows of the Organisation for the year ended 30 June 2022;
- d) at the date of this statement there are reasonable grounds to believe the Organisation will be able to pay its debts as and when they fall due; and
- e) all related party transactions have been adequately recorded in the books of the Organisation.

For and on behalf of the Organisation.

Dated this 27th day of October 2022.



Irma Daphney Stone
Acting Head of Secretariat

INDEPENDENT AUDITOR'S REPORT

To the Members of Oceania Customs Organisation Secretariat

Opinion

We have audited the accompanying financial statements of Oceania Customs Organisation Secretariat (the Organisation), which comprise the statement of financial position as at 30 June 2022, and the statement of profit and loss and other comprehensive income and retained earnings and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Organisation as at 30 June 2022, and of its financial performance and its cash flows, and financial performance against budget for the year then ended in accordance with International Public Sector Accounting Standards (IPSAS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Organisation in accordance with the *International Ethics Standards Board for Accountant's Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code)* together with the ethical requirements that are relevant to our audit of the financial statements in Fiji and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Steering Committee and management are responsible for the other information. The other information comprises the *Statement by the Head of Secretariat* but does not include the financial statements and the auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated. If, based upon the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Steering Committee and management are responsible for the preparation and fair presentation of the financial statements in accordance with IPSAS, and for such internal control as the Steering Committee and management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Steering Committee and management are responsible for assessing the Organisation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Steering Committee and management either intend to liquidate the Organisation or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organisation's financial reporting process.

INDEPENDENT AUDITOR'S REPORT *continued*

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud and error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with ISA, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organisation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Steering Committee and management.
- Conclude on the appropriateness of the Steering Committee's and management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organisation's ability to continue as a going concern. If we conclude that material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures, are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organisation to cease to continue as a going concern.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



INDEPENDENT AUDITOR'S REPORT *continued*

Auditor's Responsibilities for the Audit of the Financial Statements *continued*

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.


Ernst & Young
Chartered Accountants


Sikeli Tuinamuana
Partner
Suva, Fiji

27 October 2022

OCEANIA CUSTOMS ORGANISATION SECRETARIAT
 STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME AND RETAINED EARNINGS
 FOR THE YEAR ENDED 30 JUNE 2022

	Notes	2022 \$	2021 \$
Revenue from non-exchange transactions			
Australia grant - core		746,157	742,611
New Zealand grant income - core		70,417	881,453
Members' contribution		596,926	632,346
		<u>1,413,500</u>	<u>2,256,410</u>
Revenue from exchange transactions			
New Zealand grant income - project funding		774,583	-
Other income	3	330,115	379,508
		<u>1,104,698</u>	<u>379,508</u>
Total income		<u>2,518,198</u>	<u>2,635,918</u>
Expenditure			
Operating expenses	4	2,447,604	1,999,779
Depreciation and amortisation	6 & 7	60,604	48,797
Doubtful debts		142,085	42,452
Total expenditure		<u>2,650,293</u>	<u>2,091,028</u>
(Deficit)/surplus of income over expenditure		<u>(132,095)</u>	<u>544,890</u>
Total comprehensive income for the year		<u>(132,095)</u>	<u>544,890</u>
Accumulated funds at the beginning of the year		3,275,332	2,730,442
Accumulated funds at 30 June		<u><u>3,143,237</u></u>	<u><u>3,275,332</u></u>

The accompanying notes form an integral part of this Statement of Profit or Loss and Other Comprehensive Income and Retained Earnings.

OCEANIA CUSTOMS ORGANISATION SECRETARIAT
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022

	Notes	2022 \$	2021 \$
Current assets			
Cash and cash equivalents	10	2,003,771	1,523,155
Receivables and prepayments	5	1,237,189	1,175,161
Held-to-maturity investments	11	-	650,251
Total current assets		3,240,960	3,348,567
Non-current assets			
Property, plant and equipment	6	190,915	103,184
Total non-current assets		190,915	103,184
Total assets		3,431,875	3,451,751
Current liabilities			
Trade and other payables	8	196,512	94,198
Employee benefit liability	9	92,126	81,522
Total current liabilities		288,638	175,720
Non-current liabilities			
Deferred income	12	-	699
Total non-current liabilities		-	699
Total liabilities		288,638	176,419
Net assets		3,143,237	3,275,332
Represented by:			
Accumulated funds			
General reserve fund		3,143,237	3,275,332
Total accumulated funds		3,143,237	3,275,332

The accompanying notes form an integral part of this Statement of Financial Position.

OCEANIA CUSTOMS ORGANISATION SECRETARIAT
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 \$	2021 \$
Operating activities			
Receipts from donors		1,907,955	1,413,161
Receipts from members		397,951	363,422
Payments to suppliers and employees		(2,333,992)	(1,919,508)
Interest received		7,480	24,981
Net cash used in operating activities		(20,606)	(117,944)
Investing activities			
Acquisition of fixed assets		(149,029)	(103,798)
Placement of term deposits		650,251	(36,855)
Net cash flow used in investing activities		501,222	(140,653)
Net decrease in cash and cash equivalents		480,616	(258,597)
Cash and cash equivalents at beginning of the year		1,523,155	1,781,752
Cash and cash equivalents at 30 June	10	2,003,771	1,523,155

The accompanying notes forms an integral part of this Statement of Cash Flows.

OCEANIA CUSTOMS ORGANISATION SECRETARIAT
 STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
 FOR THE YEAR ENDED 30 JUNE 2022

	Final Budgeted	Actual	Performance
	2022	Comparable	Difference
	\$	Basis	(under)/over
		2022	2022
		\$	\$
Income			
Australia	778,400	746,157	(32,243)
New Zealand	844,800	845,000	200
Member subscriptions	661,600	596,926	(64,674)
Other donor	127,800	215,418	87,618
Other income	95,949	114,697	18,748
Total income	2,508,549	2,518,198	9,649
Expenses			
Salaries and benefits	1,401,039	1,186,900	(214,139)
Travel costs	18,300	2,660	(15,640)
Meeting costs	409,500	257	(409,243)
Occupancy costs	87,320	81,298	(6,022)
Computer and office equipment	26,200	14,506	(11,694)
Communications	53,047	43,501	(9,546)
Publicity	12,000	3,752	(8,248)
Professional fees	245,417	179,848	(65,569)
Finance charges	36,160	7,738	(28,422)
General and administration	63,560	179,956	116,396
Depreciation	72,000	60,604	(11,396)
Work program	1,086,781	889,273	(197,508)
Total expenses	3,511,324	2,650,293	(861,031)
Deficit of income over expenditure	(1,002,775)	(132,095)	870,680

1. General information

The financial statements of the Oceania Customs Organisation Secretariat (OCOS or the Organisation) for the year ended 30 June 2022 were authorised for issue by the Head of Secretariat on the 27 October 2022. The OCOS was established in Fiji under a Memorandum of Understanding between OCOS and the Government of Fiji on 15 March 2006. The principal activities of the Secretariat are detailed in Note 15.

2.1. Basis of preparation and accounting policies

The financial statements have been prepared primarily on the basis of historical costs, unless specifically stated otherwise, do not take into account current valuations of non-current assets. The financial statements are presented in Fijian dollars and are rounded to the nearest dollar except when otherwise indicated.

Statement of compliance

The financial statements of the Organisation have been prepared in accordance with and comply with the International Public Sector Accounting Standards (IPSAS) issued by the International Public Sector Accounting Standards Board (IPSASB).

Going concern

The financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

2.2. Significant accounting judgements, estimates and assumptions

Judgements

In the process of applying the Organisation's accounting policies, management has made the following judgements, apart from those involving estimations, which has the most significant effect on the amounts recognised in the financial statements.

Estimations and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the statement of financial position date, that have a significant task of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

Provision for doubtful debts

The Organisation maintains a provision for estimated losses expected to arise from members and other debtors being unable to make required payments. In assessing the provision, factors such as past collection history, the age of receivable balances, the level of activity in the member accounts, are taken into account.

2.3. Statement of significant accounting policies

A summary of the significant accounting policies adopted by the Organisation is set out in this note. The policies adopted are in accordance with accounting principles generally accepted in Fiji and, unless stated otherwise, are consistent with those applied in the prior year.

2.3. Statement of significant accounting policies *continued*

(a) Revenue recognition

Revenue from non-exchange transactions

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognised on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the Organisation and can be measured reliably.

Assessed contributions

Contributions from member countries are recognised on an accrual basis and made from reference to assessed computations approved at annual conferences.

Revenue from exchange transactions

Extra-budgetary funds

Funds received from governments and aid agencies under extra-budgetary work programmes are usually for specified purposes. These funds are separately identified in the accounting system and expenditure recorded against each fund. Revenue is generally recognised at the time of receipt of funds to comply with the fund reporting required by the donor.

Contribution in kind

Contribution in kind is recognised as income in the year of receipt. Contribution in kind provided by the Fiji Revenue & Customs Service represents the Fiji Government contribution towards the Secretariat. The grant includes the provision of office space and essential utilities free of charge.

(b) Income tax

The Secretariat is exempted from income tax under the Fiji Diplomatic Privileges and Immunities Act.

(c) Property, plant and equipment

Items of furniture and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is charged so as to allocate the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The following annual rates are used for the depreciation of property, plant and equipment:

Asset	Rate
Furniture and fittings	20%
IT equipment	40%
Office equipment	20%
Motor vehicle	20%

If there is an indication that there has been a significant change in the depreciation rate, useful life or residual value of an asset, the depreciation of that asset is revised prospectively to reflect the new expectations.

2.3. Statement of significant accounting policies *continued*

(d) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in the statement of profit or loss and other comprehensive income in the year in which the expenditure is incurred.

(e) Impairment of assets

At each reporting date, furniture and equipment, and intangible assets are reviewed to determine whether there is any indication that those assets have suffered impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in the statement of profit or loss and other comprehensive income.

(f) Employee entitlements

Employee entitlements relating to wages, salaries and annual leave represent the amount which the Organisation has a present obligation to pay resulting from the employees' services provided up to balance date.

Wages and salaries and annual leave

Liabilities for wages, salaries and annual leave are recognised, and are measured as the amount unpaid at the reporting date at current pay rates in respect of employees' services up to that date.

(g) Trade payables

Trade payables are obligations on the basis of normal credit terms and do not bear interest. Trade payables denominated in the foreign currency are translated into Fijian dollars using the exchange rate at the reporting date. Foreign exchange gains or losses are included in other income or other expenses.

(h) Bank overdrafts

Interest expense is recognised on the basis of the effective interest method and is included in finance costs.

(i) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

(j) Held-to-maturity investments

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held-to-maturity when the Organisation has the positive intention and ability to hold it to maturity. After initial measurement, held-to-maturity investments are measured at amortised cost using the effective interest method (EIR), less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or cost that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit or loss and other comprehensive income. The losses arising from impairment are recognised in the statement of profit or loss and other comprehensive income in finance costs.

2.3. Statement of significant accounting policies *continued*

(k) Deferred income

Grants received for specific end purpose is recognised as revenue when the conditions attached to the grants have been met. Until those conditions are met, receipt of grant funds in advance is accounted for as deferred income and recognised as a liability.

Property, plant and equipment acquired with the aid of specific grants or through donations are capitalised and depreciated with the related grant being credited to deferred income (for donated assets). Deferred income is released to the statement of income and expenditure over the expected useful economic life of the related property, plant and equipment. The exception to this is when the acquisition of property, plant and equipment is financed either through the Organisation's own funds or a loan or finance lease when no revenue is deferred.

(l) Release of deferred income

Release of deferred income is recognised when the donated asset is depreciated over its useful life.

(m) Foreign currencies

Foreign currencies transactions are translated to Fijian dollars at rates of exchange ruling at the dates of the transactions. Amounts receivable and payable in foreign currencies are converted to Fijian currency at the rates of exchange ruling at the balance date. All exchange gains and losses whether realised or unrealised are reflected in profit or loss.

(n) Comparatives

Where necessary comparative figures have been adjusted to conform with changes in presentation in the current year.

(o) Reserves

The general reserve fund contains balances of membership subscriptions and recurrent donor funding received for operation of the OCOS, and Specified Funds, which include specific project funds. The PACER plus specified fund contains the balance of funding received from Australia and New Zealand for implementation of the Capacity Development project for Forum Island Countries for the implementation of Harmonised System 2017.

3. Other income	2022 \$	2021 \$
Contribution in kind (FRCS)	78,487	78,487
Interest income	7,480	24,981
Other donors	215,418	10,103
Gain on sale of asset	2,400	101,449
Release of deferred income	699	1,381
Realised exchange gain	-	16,673
Unrealised exchange gain	25,631	146,434
	<u>330,115</u>	<u>379,508</u>

OCEANIA CUSTOMS ORGANISATION SECRETARIAT
NOTES TO THE FINANCIAL STATEMENTS *continued*
FOR THE YEAR ENDED 30 JUNE 2022

	2022	2021
	\$	\$
4. Operating expenses		
Advertisement	10,318	7,441
Auditor's remuneration	10,015	10,015
Annual conference	257	62
Assets - not capitalised	2,995	5,396
Bank charges and interest	7,738	8,395
Occupancy costs	81,298	80,436
Entertainment	4,456	2,949
Insurance (motor vehicle and general)	10,209	7,681
Legal fees	-	334
Motor vehicle expenses	2,645	1,860
Other administrative expenses	602	133
Office equipment expenses	4,158	3,155
Other professional fees	169,833	69,860
Postage and stationery	4,449	4,166
Publicity and public relation	3,752	2,159
Realised exchange loss	-	-
Repair and maintenance	5,845	2,783
Salaries and other benefits	1,186,900	1,267,517
Software maintenance	4,302	10,879
Staff amenities	2,197	2,416
Telecommunication and facsimile	43,501	43,231
Travel and accommodation	2,660	423
Work program	889,273	468,488
	<u>2,447,604</u>	<u>1,999,779</u>
5. Receivables and prepayments	\$	\$
Members' contributions	1,192,612	1,173,768
Less: provision for doubtful debts	(187,984)	(45,899)
	<u>1,004,628</u>	<u>1,127,869</u>
Prepayments	15,412	40,146
Other receivables	217,149	7,146
	<u>1,237,189</u>	<u>1,175,161</u>

OCEANIA CUSTOMS ORGANISATION SECRETARIAT
 NOTES TO THE FINANCIAL STATEMENTS *continued*
 FOR THE YEAR ENDED 30 JUNE 2022

6. Property, plant and equipment

	Furniture and fittings	Office equipment	IT equipment	Motor vehicles	Total
	\$	\$	\$	\$	\$
Cost					
At 1 July 2020	28,166	103,427	285,053	201,007	617,653
Additions	-	3,798	-	100,000	103,798
Disposals	-	-	-	(127,386)	(127,386)
At 30 June 2021	28,166	107,225	285,053	173,621	594,065
Additions	10,092	1,899	87,038	50,000	149,029
Disposals	-	(12,179)	(36,243)	-	(48,422)
At 30 June 2022	38,258	96,945	335,848	223,621	694,672
Depreciation					
At 1 July 2020	25,134	96,802	275,038	201,007	597,981
Depreciation charge for the year	3,032	8,097	4,434	4,723	20,286
Disposals	-	-	-	(127,386)	(127,386)
At 30 June 2021	28,166	104,899	279,472	78,344	490,881
Depreciation charge for the year	1,301	1,139	29,283	28,881	60,604
Disposals	-	(12,179)	(35,550)	-	(47,729)
At 30 June 2022	29,467	93,860	273,205	107,225	503,756
Net book value:					
At 30 June 2022	8,791	3,085	62,643	116,396	190,915
At 30 June 2021	-	2,326	5,581	95,277	103,184

OCEANIA CUSTOMS ORGANISATION SECRETARIAT
 NOTES TO THE FINANCIAL STATEMENTS *continued*
 FOR THE YEAR ENDED 30 JUNE 2022

	2022 \$	2021 \$
7. Intangible assets		
Software costs		
Cost:		
At the beginning of the year	82,055	82,055
At the end of the year	82,055	82,055
<i>Amortisation and impairment:</i>		
At the beginning of the year	82,055	53,544
Amortisation	-	28,511
At the end of the year	82,055	82,055
Net book value as at 30 June	-	-
8. Trade and other payables	\$	\$
Trade creditors	179,183	76,049
Accruals	17,329	18,149
	196,512	94,198
9. Employee benefit liability	\$	\$
At the beginning of the year	81,522	49,291
Net movement during the year	10,604	32,231
At the end of the year	92,126	81,522
10. Cash and cash equivalents	\$	\$
Cash on hand	300	300
Cash at bank	1,482,800	694,752
Short-term deposits	520,671	828,103
	2,003,771	1,523,155
11. Held-to-maturity investments	\$	\$
Term deposits - ANZ	-	650,251
12. Deferred income	\$	\$
At the beginning of the year	699	2,080
Less: release of deferred income	(699)	(1,381)
At the end of the year	-	699

13. Financial instruments - financial risk management

Exposure to currency, interest rate, liquidity and credit risk arises in the normal course of the Organisation's operations. This note presents information about the Organisation's exposure to each of the above risks, policies and processes for measuring and managing risk. Further quantitative disclosures are included throughout these financial statements.

Credit risk

Credit risk is the risk of financial loss to the Organisation if members or counterparties to financial instruments fail to meet their contractual obligations. This risk arises principally from the Organisation's investments, receivables, and cash and cash equivalents. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk as at 30 June 2022 and 2021 respectively was:

	2022 \$	2021 \$
Investments	-	650,251
Trade and other receivables	1,237,189	1,175,161
Cash and cash equivalents	<u>2,003,771</u>	<u>1,523,155</u>
Maximum exposure to credit risk	<u>3,240,960</u>	<u>3,348,567</u>

Credit quality

Credit quality is assessed risk of default attached to counterparties to which the Organisation extends credit and also those parties with whom the Organisation invests. As such, the credit quality assessed extends to the members, investments and banks of the Organisation.

For financial statement purposes, the investments and balances with banks are limited to the investments, and cash and cash equivalents line items in the statement of financial position. The Organisation determines credit quality of the investments and banks using information obtained from external rating agencies when available.

Investments

The Organisation limits its exposure to credit risk by investing with only reputable financial institutions that have a sound credit rating, which are within the specific guidelines set in accordance with the management's approved investment policy. Consequently, the Organisation does not consider there to be any significant exposure to credit risk.

13. Financial instruments - financial risk management *continued*

Cash and cash equivalents

The Organisation limits its exposure to credit risk by investing cash and cash equivalents with only reputable financial institutions that have a sound credit rating, and within specific guidelines set in accordance with the Steering Committee's approved investment policy. Consequently, the Organisation does not consider there to be any significant exposure to credit risk.

Liquidity risk

Liquidity risk is the risk of the Organisation not being able to meet its obligations as they fall due. The Organisation's approach to managing liquidity risk is to ensure that sufficient liquidity is available to meet its liabilities when due, without incurring unacceptable losses or risking damage to the Organisation's reputation.

The Organisation ensures that it has sufficient cash on demand to meet expected operating expenses through the use of cash flow forecasts. On average, (75.42)% (2021: 69.02%) of receivables are settled within 30 days after the due date and payables are settled within 30 days of invoice.

The following are contractual liabilities in payables:

	On demand	More than 3 months	3 - 12 months	1 - 5 years	Total
	\$	\$	\$	\$	\$
2022					
Liabilities					
Payables	129,396	39,499	4,391	5,897	179,183
Total	129,396	39,499	4,391	5,897	179,183
	On demand	More than 3 months	3 - 12 months	1 - 5 years	Total
	\$	\$	\$	\$	\$
2021					
Liabilities					
Payables	60,832	12,161	1,170	1,886	76,049
Total	60,832	12,161	1,170	1,886	76,049

13. Financial instruments - financial risk management *continued*

Market risk

Market risk is the risk of changes in market prices, such as foreign exchange rates and interest rates, affecting the Organisation's income or the value of its financial instrument holdings. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on the risk. The weighted average interest rates and maturity profile on financial instruments as at 30 June 2022 are, as follows:

	Weighted average interest rate	1 year or less \$	Total \$
Financial assets			
Cash and cash equivalents	0.11%	2,003,771	2,003,771
Total financial assets		2,003,771	2,003,771

Financial assets

If the weighted average interest rate as at 30 June 2022 had been 100 basis points higher or lower the interest income and interest expense would have been affected, as follows:

	Increase (+) or decrease (-) in basis points	Effect on surplus or deficit \$
2022		
Financial assets		
Cash and cash equivalents	+100bp	5,779
	-100bp	521
2021		
Financial assets		
Investment	+100bp	6,560
	-100bp	(6,445)
Cash and cash equivalents	+100bp	1,874
	-100bp	(12,701)

14. Commitments and contingent liabilities

Capital expenditure commitments at balance date amounted to \$Nil (2021: \$Nil).

15. Principal activities

The OCOS facilitates and where appropriate helps member customs administrations align with customs international standards and best practice leading to greater economic prosperity and increased border security within the Oceania region. There were no changes to this principal activities during the year.

16. Secretariat details

Registered office

84 Harris Road
Suva
Fiji.

Number of employees

As at balance date, 11 full time employees were employed by the Secretariat (2021: 10 employees).

17. Significant event during the year

Impact of COVID-19 pandemic on the Organisation

The coronavirus (COVID-19) outbreak has evolved rapidly, bringing a significant health impact globally. Measures taken to contain the virus continue to have a significant impact on global markets and economic activity. Fiji is still feeling the impact with business disruption and levels of activity reducing in several market sectors.

The Organisation has remained operational since this declaration and continues to engage in its principal activities. We have not seen a significant impact on our business to date. The Head of Secretariat and management are carefully considering the impact of the COVID-19 outbreak on the Organisation and assessing future operational options. The future financial impacts, however, cannot be reasonably estimated at this time, as they will be largely the product of matters the Organisation cannot control.

In July 2021 the Fijian Government ramped up its vaccination drive with a national target of 80 percent of the target population to be fully vaccinated by 31 October 2021. The Government was able to attain 90 percent in November and as a result the current containment measures with restrictions had eased as the fully vaccinated percentage increased. Furthermore, Fiji's international borders had opened in December 2021 after remaining closed for 18 months. The duration and extent of the pandemic and related financial, social and public health impacts of the COVID-19 pandemic are uncertain.

The Head of Secretariat and management believe the Organisation has sufficient financial resources together with arrangements with their customers and suppliers at this time to be able to successfully manage their business risks despite the current uncertain economic outlook due to the COVID-19 outbreak.

18. Subsequent events

No matter or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Organisation, the results or cash flows of those operations, or the state of affairs of the Organisation in future financial years.

OCEANIA CUSTOMS ORGANISATION SECRETARIAT
DISCLAIMER ON ADDITIONAL FINANCIAL INFORMATION
FOR THE YEAR ENDED 30 JUNE 2022

Disclaimer on Additional Financial Information

The additional financial information, being the attached Detailed Income Statement has been compiled by management of Oceania Customs Organisation Secretariat.

To the extent permitted by law, Ernst & Young do not accept liability for any loss or damage which any person, other than Oceania Customs Organisation Secretariat may suffer arising from any negligence on our part. No person should rely on the additional financial information without having an audit or review conducted.

OCEANIA CUSTOMS ORGANISATION SECRETARIAT
 DETAILED INCOME STATEMENT
 FOR THE YEAR ENDED 30 JUNE 2022

	2022 \$	2021 \$
Income		
Australia grant income	746,157	742,611
Contribution in kind (FRCS)	78,487	78,487
Interest income	7,480	24,981
Membership fee	596,926	632,346
New Zealand grant income	845,000	881,453
Other donors	215,418	10,103
Gain on sale of asset	2,400	101,449
Release of deferred income	699	1,381
Realised exchange gain	-	16,673
Unrealised exchange gain	25,631	146,434
Total income	2,518,198	2,635,918
Expenditure		
Audit fee	10,015	10,015
Assets - not capitalised	2,995	5,396
Advertisement	10,318	7,441
Annual conference	257	62
Bank and finance charges	7,738	8,395
Depreciation	60,604	48,797
Doubtful debts	142,085	42,452
Entertainment	4,456	2,949
Insurance	10,209	7,681
Legal fees	-	334
Loss on disposal	201	-
Motor vehicle expenses	2,645	1,860
Occupancy costs	81,298	80,436
Office equipment expenses	4,158	3,155
Other administrative expenses	602	133
Other professional fees	169,833	69,860
Postage and stationery	4,449	4,166
Publicity and public relation	3,752	2,159
Repair and maintenance	5,845	2,783
Staff amenities	2,197	2,416
Software maintenance	4,302	10,879
Salaries and other benefits	1,186,900	1,267,517
Telecommunication	43,501	43,231
Travel and accommodation	2,660	423
Work program	889,273	468,488
Total expenditure	2,650,293	2,091,028
(Deficit)/surplus for the year	(132,095)	544,890

The Detailed Income Statement is to be read in conjunction with the disclaimer on page 21.

OCO Partners and Supporters

In addition to the members, the OCO would like to acknowledge the valuable contribution and on-going support of the following organisations to the work of the organisation.

1. Australian Border Force
2. Asian Development Bank
3. Asia Pacific Group on Money Laundering
4. European Union through the European Union Delegation for the Pacific
5. Government of Australia through the Department of Foreign Affairs and Trade
6. Government of New Zealand through the Ministry of Foreign Affairs and Trade
7. Government of Republic of Fiji through the Ministry of Foreign Affairs and International Cooperation
8. Government of Japan through Japan Customs and Tariff Bureau
9. Government of Korea through Korea Customs Service
10. International Narcotics Control Board
11. Joint Agency Task Force-West
12. Melanesian Spearhead Group Secretariat
13. Ministry for Primary Industry, New Zealand
14. New Zealand Customs Services
15. New Zealand Statistics
16. Pacific Financial and Technical Assistance Centre
17. Pacific Immigration Development Community
18. Pacific Islands Chiefs of Police
19. Pacific Islands Forum Secretariat
20. Pacific Islands Law Officers Network
21. Pacific Islands Tax Administrators Association
22. Pacific Transnational Crime Coordination Centre
23. Pacific Community
24. United Nations Conference for Trade and Development
25. United Nations Economic & Social Commission for the Asia Pacific
26. United Nations Environment Programme
27. United Nations Office on Drugs and Crime
28. United States Trademark and Patent Office
29. United States Department of Justice
30. World Bank
31. World Customs Organisation (WCO)
32. World Health Organization (WHO)
33. WCO Regional Office for Capacity Building for Asia Pacific
34. WCO Regional Intelligence Liaison Office for Asia Pacific
35. World Trade Organisation

Acronyms

ABF	Australian Border Force	PICS	Pacific Island Countries
APG	Asia Pacific Group on Money Laundering	PICTA	Pacific Island Countries Trade Agreement
AUSTRAC	Australian Transaction Reports and Analysis Centre	PIDC	Pacific Immigration Development Community
CENComm	Customs Enforcement Network Communications	PIFS	Pacific Islands Forum Secretariat
CIAT	Center for Tropical Agriculture	PITAA	Pacific Islands Tax Administrators Association
CNMI	Commonwealth of the Northern Mariana Islands	PMDP	Pacific Management Development Program
DEPA	Document Examination Principles and Application	PNG	Papua New Guinea
ESCAP	United Nations Economic and Social Commission for Asia and the Pacific	PTCCC	Pacific Transnational Crime Coordination Center
FRCS	Fiji Revenue & Customs Service	RA-FIT	Revenue Administration's Fiscal Information Tool
FSM	Federated States of Micronesia	RMI	Republic of the Marshall Islands
Guam CQA	Guam Customs and Quarantine Agency	RMIT	Royal Melbourne Institute of Technology
HS	Harmonised System	ROCB AP	WCO Regional Office on Capacity Building, Asia Pacific
IMF	International Monetary Fund	RILO AP	WCO Regional Intelligence and Liaison Office, Asia Pacific
INCB	International Narcotics Control Board	RKC	Revised Kyoto Convention
IOTA	Distributed ledger to record and execute transactions between machines in the Internet of Things (IoT) ecosystem	SMA	Small Member Administration
ISORA	International Survey on Revenue Administration	SPC	Secretariat of the Pacific Community
ISOCA	International Survey on Customs Administration	TA	Trade Agreement
JIATF	Joint Interagency Task Force	TFA	Trade Facilitation Agreement
LMD	Leadership and Management Development	TFCC	Trade Facilitation in Customs Cooperation
MFAT	Ministry of Foreign Affairs and Trade	UNCTAD	United Nations Conference for Trade and Development
MOU	Memorandum of Understanding	UNODC	United Nations Office on Drugs and Crime
MSG	Melanesian Spearhead Group	US ICE	United States Immigration and Customs Enforcement
NZCS	New Zealand Customs Service	USPTO	United States Patent and Trade Mark Office
NZP	New Zealand Police	VAT	Value Added Tax
OPSCA	OCO Pacific Small Craft App	WCO	World Customs Organisation
OCO	Oceania Customs Organisation	WHO	World Health Organisation
OECD	Organisation for Economic Co-operation and Development	WTO	World Trade Organization
PACER	The Pacific Agreement on Closer Economic Relations		
PACHS	Pacific Harmonised Commodity Description and Coding System		
PCA	Post Clearance Audit		
PFTAC	Pacific Financial Technical Assistance Centre		
PICP	Pacific Islands Chiefs of Police		



Participants attending the 24th OCO Virtual Annual Conference on 6 September 2022



OCO Staff at the OCO Secretariat Office in Suva, Fiji



Pacific Women's Professional Development Program 2022 Graduation



OCO Staff meeting with Intellectual Property Enforcement Coordinator (IPEC) Attorneys in Washington DC



Farewell dinner for outgoing Head of Secretariat, Mr Richard Brennan (centre)



Fiji Revenue & Customs Service Manager Mr George Mow (seventh from left) and ABF Pacific Director Mr Andrew Rice (eighth from left) and Ms Emily Dowling (fourth from right) meeting with the OCO Secretariat staff during their in- country visit in Suva, Fiji.

