



IFCBAA

INTERNATIONAL FORWARDERS & CUSTOMS
BROKERS ASSOCIATION OF AUSTRALIA



IFCBAA Submission

produced 4 August 2023

To the “Simplified Trade System
Consultation Paper” of June 2023





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Introduction

IFCBAA's Industry Profile

The International Forwarders & Customs Brokers Association of Australia Ltd ("IFCBAA") is the peak national member owned organisation that represents international freight forwarders and customs brokers in Australia. The majority of IFCBAA member's customers are Australia's importers and exporters.

With origins dating back to 1904, IFCBAA was formed from the merger between two longstanding and respected industry associations in July 2020, from what was the Australian Federation of International Forwarders (AFIF) and the Customs Brokers & Forwarders Council of Australia Inc. (CBFCA).

IFCBAA represents its members in a diverse spectrum of domestic and international trade committees, forums and discussion groups.

IFCBAA's Mission

To be the single independent and influential voice for international freight forwarders and customs brokers in Australia and to promote the professional development of our students and members through continuing professional development (CPD) based education, advocacy, training and compliance.

IFCBAA's Primary Objectives

- To raise the profile of the international trade logistics and supply chain management service industry in Australia.
- Establishing relationships and making representations to domestic and international Government bodies, agencies, statutory authorities and relevant industry organisations to benefit Australian trade and the international freight forwarding and customs brokerage industry.
- To promote the professional development of IFCBAA members through the provision of education and training courses.
- To provide educational pathways for industry entrants through the promotion and delivery of the Diploma of Customs Broking and the Diploma of International Freight, through IFCBAA's RTO division ITALC.
- To support IFCBAA members in regulatory compliance awareness and advocacy, so as to allow members to minimise business and individual risks in dealing with Australia's international trade.

Executive Summary

This submission is in response to the Simplified Trade System (STS) consultation paper (the paper) dated June 2023, which requested industry stakeholder input to shape the future of Australia's cross-border trade environment.

The purpose of this submission provides commentary and recommendations on the regulatory, digital and data reforms that are considered as vital initiatives for Australia's international trade. As part of the process in building this submission, IFCBAA sought advice and input from members, management as well as board directors in order to truly capture the depth and breadth of knowledge and experience that is available within IFCBAA's considerable resources in this field.

This subject matter has wide overarching reaches. In order to assist the reader, the IFCBAA recommendations have been grouped towards the beginning of this submission whilst being referenced to the most appropriate section or question as outlined in the paper. Furthermore, IFCBAA provides comprehensive commentary to further support the recommendations or for those who prefer to follow the papers linear sequencing and questions.

IFCBAA looks forward to the positive outcomes of the STS taskforce as well as participating in future groups, workshops, working groups etc.

On behalf of IFCBAA, we would like to thank the Simplified Trade System taskforce for this opportunity to provide our submission which we hope forms part of the vital decision-making processes that are required to significantly advance Australia's international trade across all processes, in addition to implementing secure innovation in the digitisation of data and information.

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IFCBAA Recommendations

Number	Recommendation	Cross-reference
Recommendation 1	The Federal Government to establish a new “Office of Trade Facilitation” (or similar) to review the work being done by the STS and all the border agencies to ensure that work is pursued promptly and completed and to ensure a “whole of government” response to the needed reforms.	Question 1
Recommendation 2	Reconcile industry feedback and recommendations against government objectives of the STS and broader trade reform by way of a formal gap-analysis assessment and action plan that flows from that assessment.	Question 1 Question 25
Recommendation 3	Regulatory reform hierarchy: <ul style="list-style-type: none"> ○ Reporting – access to origin export data to become Australian import data which is then used and analysed for customs clearance. ○ Border controls - have one portal through which all parties can access to regulations/requirements of all parties whether service providers, importers and exporters, whether in Australia or overseas markets ○ Trust and risk – reduced intervention and strengthening identity and document integrity, combined with ATT to allow for a more targeted intervention model, focusing on high-risk entities, goods and other security factors. ○ Service standards – properly structured and defined service standards aligned with border agencies and private sector requirements to deliver more consistent and compliant outcomes. 	Question 2
Recommendation 4	Creation of a ‘clearing house’ or similar mechanism, providing experts from various agencies to which difficult and unresolved issues can be referred by industry or by the agency for resolution.	Question 3
Recommendation 5	Creation of a fully integrated Single Trade Window (STW).	Question 4
Recommendation 6	Continued engagement with international bodies and encouragement for the development of standardized data and messaging e.g., SAFE Framework, ePhyto.	Question 9
Recommendation 7	Replace Digital Certificates with modern and adaptable technology.	Question 21
Recommendation 8	Establish a legal framework governing electronic transferable records consistent with MLETR.	Question 8
Recommendation 9	An overarching FPP test could be created that when completed in full, is sufficient for all current 45 administrative decision points. It may be constructed in such a way that allows for minimum data requirements and a cascading level of optional cells applicable to relevant agency requirements, so users can effectively opt-in/out.	Question 11
Recommendation 10	Through secured protocols, sharing of FPP data across whole of Australian government.	Question 12

Number	Recommendation	Cross-reference
Recommendation 11	Adopt a more advanced compliance model that rewards compliant behavior in addition to applying penalties to non-compliance behaviour.	Question 4 Question 6 Question 17
Recommendation 12	To promote confidence in achieving the high-level vision for the future of cross-border trade policy, begin with 'easy wins' to gain traction and act as a catalyst for continued reform.	General recommendation
Recommendation 13	Remove "nuisance tariffs" as recommended by the Productivity Commission.	General recommendation
Recommendation 14	Importers, exporters, and their service providers should be required to provide advanced notice information to the border agencies before goods are approved for export to Australia.	Question 23
Recommendation 15	Settlement of all importer liabilities to the Australian Border Force or other Commonwealth government agencies to be direct from the owner of the goods.	Question 6
Recommendation 16	There needs to be sharing of relevant data across agencies so that the data needs only to be provided once by a party in the supply chain (the "one touch" approach).	Question 10
Recommendation 17	Sharing of intelligence regarding suspect transactions and sharing that data with equivalent agencies in trusted domestic and foreign jurisdictions, whilst also providing appropriate safeguards to reporting parties.	Question 23
Recommendation 18	Consideration given to two-way communication between government agencies and trusted, and verified, private sector entities for example Australian Trusted Traders and Licensed Customs Brokers.	General recommendation
Recommendation 19	Move away from the "transaction based" review of the supply chain to more of an "entity-based review" along the lines of that taking place in the EU.	Question 24
Recommendation 20	With 57% of Formal Import Declarations (FID) being airfreight (excluding Self-Assessed Clearances) for the financial year to 30 June 2023, it is imperative, airfreight modelling, understanding and representation is increased within the STS Industry Advisory Council and subsequent workgroups.	Section 6 (Other)
Recommendation 21	Recognise and engage with global standards for transportation i.e., IATA ONE Record and IMO Compendium on Facilitation and Electronic Business.	Section 6 (Other)
Recommendation 22	Underbond Movement Request (UBMR) process review.	Section 6 (Other)

IFCBAA Commentary to Consultation Paper

Item #	STS Heading	Question number	Question	IFCBAA Response
1	High-level vision for the future of cross-border trade policy	Q1	Does the high-level vision for the future of cross-border trade align with the needs of business? What would you prioritise or emphasise? Are any components missing?	<p>For a reimagined cross border system to provide tangible benefits to business and government, there are some key pillars that need to be satisfied to achieve the desired goals:</p> <ol style="list-style-type: none"> 1. Reduced transaction cost. 2. Reduced transaction processing time. 3. Efficient use of data across government and its agencies. 4. Scalable to allow for forecasted and non-forecasted increase in volumes of trade. 5. Be fit for purpose for the fundamental needs of all agencies involved. 6. Adaptable to new and emerging business and IT practices. <p>The high-level vision for the future of cross-border trade does align with the needs of business. It is clear the government understands the need for large scale structural reform as does the private sector who are witnessing the limitations of current systems and processes available to effect cross-border trade.</p>
2	Simpler rules	Q2	Which of these regulatory reforms would deliver the most practical benefits for business? Are there other reforms you would recommend we prioritise?	<p>Service standards - By changing the paradigm of what, how and when data is collected and used, more information will be collected by the relevant agencies (whole-of-government) and at an earlier stage, meaning business will expect better service standards. This encompasses some of the key pillars from the question 1 response – reduced transaction costs, reduced transaction processing time and efficient use of data. The result is a better service standard and ultimately better access to the internationally traded goods.</p> <p>It is understood that government decides/determines physical intervention in the cargo movement process. We consider it important that any heightened or reformed intervention does not place licensed customs brokers (LCB) or freight forwarders (FF) in an unfair position. IFCBAA and IFCBAA members understand and support the ongoing requirement for border security and biosecurity practices, whilst seeking that the reformed model be appropriately transparent to a level that the broader international trade (both domestic and international) is informed when government places a hold on a shipment, noting that currently, the LCB is often blamed for such holds/delays in the clearance process.</p>

Item #	STS Heading	Question number	Question	IFCBAA Response
2	Simpler rules (Cont.)	Q3	<p>What is your experience in understanding cross-border trade regulation?</p> <p>How accessible do you find this information?</p> <p>How can better guidance on regulatory requirements be provided?</p>	<p>The understanding of cross-border trade regulation relies heavily on existing international trade participants. Commodity specific traders – imports and exporters, are often well versed in the intricacies and regulatory requirements needed to affect movement of their goods. More broadly, industry professionals and service providers such as LCB’s and experienced international FF’s are required to be aware of and understanding of, a wide array of regulatory information. It is important to maintain the status of LCB’s and FF’s as key industry participants as they are best equipped to correctly interpret regulations and guide other importers and exporters on their regulatory obligations.</p> <p>The knowledge of LCB’s and FF’s should continue to be leveraged with additional support from government. The training, experience, licensing requirements and attached conditions therein, should be recognised and appropriately supported. The suggestion of an agency “clearance house” or similar concept should be considered, providing experts from various agencies to which difficult and unresolved issues can be referred by industry or by the agency for resolution. Such a concept would address the question of guidance on regulatory requirements especially for niche commodities and complex regulation interpretation.</p> <p>Further, IFCBAA believes that government should provide one single source of information regarding regulation of the supply chain. In other words, a “portal” or “one stop shop” where a member of the supply chain can seek information on what regulation needs to be observed for specific transactions and the member of the supply chain is provided with links to relevant regulation and a summary of the requirements. This would be especially relevant for Micro, Small and Medium Enterprises (MSME) who otherwise would not have the appreciation of the breadth of the regulation.</p>

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2	Simpler rules (Cont.)	Q4	What duplication in cross-border regulation have you experienced? What are the opportunities to streamline?	<p>Entity details and fit and proper test requirements are routinely duplicated in cross-border regulation. Currently, LCB's not only have to deal with the ICS system, but also with other agencies reporting, regulatory and policy requirements. For example, importing of goods may require reporting and clearance from a number of government agencies which may not be apparent. Further, many of the agencies at the border also have their own powers to intervene in movement of goods through the supply chain.</p> <p>By linking the various departmental responsibilities and processes in a Trade Single Window (TSW) operating environment, many efficiencies in the supply chain will be able to be achieved, in addition to government and industry being able to view cargo movements seamlessly and more clearly, thereby assisting in improving the management of biosecurity and border compliance risks – both physical and financial.</p> <p>The adoption of a TSW would be consistent to WTO and WCO models and systems adopted in countries such as New Zealand (Trade Single Window), Singapore (TradeNet), Canada (Single Window Initiative) and what is legislated to be adopted, such as in the EU (Single Window Environment).</p>
2	Simpler rules (Cont.)	Q5	What international best practices or models could be adopted or adapted to improve the cross-border trade regulatory environment?	<p>Trade facilitation and modernisation initiatives have been a focus of customs agencies and international organisations for some time. It would be prudent to review these initiatives and adapt where suitable to enhance Australia's cross-border trade regulatory environment.</p> <p><u>New Zealand Trade Single Window</u> Trade Single Window (TSW) is an electronic channel for the cargo and excise industries to submit information to and receive responses from border agencies (Customs, Ministry for Primary industries, Maritime NZ and Ministry of Health). Of particular interest is that TSW allows border agencies to use shared information to process craft and cargo data.</p> <p>The NZ Trade Single Window (TSW) has two main functions:</p> <ul style="list-style-type: none"> • Registration of importers, exporters, approved premises and Trade Single Window system users • Submission of cargo and craft reports and clearance requests (known as 'lodgements') and excise declarations.

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				<p>The information is submitted by commercial importers and exporters, their agents, freight forwarders, shipping lines and airlines. New Zealand border agencies use this information to assess risk, collect revenue and provide responses.</p> <p>https://www.customs.govt.nz/business/trade-single-window/</p> <p><u>Proposed European Union Customs Reform</u> In response to a huge increase in trade volumes, especially in e-commerce, and geopolitical shifts, the European Customs Union is proposing comprehensive customs reform to simplify customs processes for business, especially for the most trustworthy traders.</p> <p>One of the proposals is the introduction of an EU Customs Data Hub which will act as the engine of the new system. The aim is to simplify and rationalise customs reporting requirements for traders, for example by reducing the time needed to complete import processes and by providing one single EU interface and facilitating data re-use.</p> <p>https://taxation-customs.ec.europa.eu/customs-4/eu-customs-reform_en</p> <p><u>The EU Single Window Environment for Customs</u> In 2022, the European Parliament passed legislation establishing the European Union Single Window Environment for Customs. The EU Single Window Environment for Customs will enable interoperability between the customs and non-customs domains to streamline the electronic exchange of documents and information required for the goods clearance process. The framework legally establishes a centralised system to interconnect the import, export and transit systems of the Member States with Union non-customs systems that manage non-customs formalities. This system is designed to improve the sharing and processing of data submitted to customs and non-customs authorities by economic operators by ensuring that those authorities receive the original data in real time.</p> <p>The second phase of the reform is planned for 2031 which will provide a Business-to-Government scheme to simplify clearance processes for economic operators when moving goods in and out of the EU. This scheme will allow economic operators to use a single portal to submit data in an individual Member State for each specific policy domain phased in under the EU Single Window Environment for Customs, instead of submitting the data separately to both the customs systems and the partner competent authorities' systems.</p>

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				<p><u>UK electronic documentation reform</u></p> <p>The UK's Electronic Trade Documents Act which entered in law in July, paves the way for trade reform by granting electronic trade documents the same legal status as physical trade documents. As per the United Nations Model Law on Electronic Transferable Records (MLETR), the availability of transferable documents and instruments in electronic form may be greatly beneficial for facilitating electronic commerce by, for example, improving speed and security of transmission, permitting the reuse of data and automating certain transactions through "smart contracts".</p>

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2.1	Enabling paperless trade	Q6	What is your experience with paper-based and electronic records in how you interact in cross-border trade with the Australian Government?	<p>As there is no single standard of international shipping documentation, the quality, formatting and contents can vary widely as each country has their own perceived requirements and international traders also have different levels of sophistication meaning information that is provided can be minimal at best. Australian participants and their service providers i.e., LCBs and FFs, can at times have difficulty in ascertaining and therefore reporting critical consignment information. The result is the increased possibility of non-compliance through missing, incorrect or misinterpreted data being reported to border agencies.</p> <p>Timeliness is also an issue especially with paper-based documents that require physical movement from consignor to consignee. Express carrier delivery is relatively fast considering the distances travelled but the despatch times can be late in the transaction piece due to the wait for financial transactions to be completed. Some government agencies demand physical inspection of documentation to verify authenticity. Lack of consistency in the requirements for paper and electronic documentation between and within government agencies represents a significant barrier to efficient trade, especially when those requirements change over time.</p> <p>Australia should consider adoption processes for the electronic transferral of digitised trade documents. Further, Australia can require more information to be provided at the point of export, allowing earlier review of proposed transactions and associated risks. In addition, Australia could ensure that a form of Digital Verification Platform (DVP) be adopted for the supply chain so that clear original, clear verified documents are available to all parties in the private supply chain to more accurately report that information to government agencies through the TSW. That DVP can also be used to ensure that the identity of parties to transactions is verified, which would also reduce “piggybacking” or “identity theft” and give all members of the private supply chain certainty on the parties with whom they are dealing.</p>

Item #	STS Heading	Question number	Question	IFCBAA Response
2.1	Enabling paperless trade (Cont.)	Q7	How many paper-based documents would you transfer between your business and Australian Government in cross-border trade interactions per year? On average, how much time do these processes take?	<p>Common systems used by LCB to submit documents to government:</p> <ul style="list-style-type: none"> ➤ COLS system for Biosecurity document assessment (transaction level) <ul style="list-style-type: none"> ○ Major limitation being the system can only take 10MB of documents per upload. Can result in multiple submissions for one transaction ➤ BICON for Biosecurity Import Permit applications ➤ Redline process used by ABF for desk top audit of import declarations (email) <p><u>Freight forwarder/Licensed Customs Brokerage example</u> Transactions requiring document lodgement via COLS: ~2500 p.a Documents per transaction: ~7 – 15 documents Transaction processing time: ~5-7 minutes per set of documents</p>
2.1	Enabling paperless trade (Cont.)	Q8	Are there other approaches, instead of MLETR, that would support the adoption of digital solutions and/or transference of electronic records in cross-border trade interactions with the Australian Government?	<p>MTLER represents an internationally recognised set of standards and it would appear to be the appropriate basis for adoption in Australia (as is happening in the UK). However, there are other approaches which also support the adoption of digital solutions and/or transference of electronic records in cross – border trade interactions with the Australian Government.</p> <ul style="list-style-type: none"> • the ICC Digital Standards Initiative (https://www.dsi.iccwbo.org/) • the WCO Data Model (https://mag.wcoomd.org/magazine/wco-news-97-issue-1-2022/making-digital-collaboration-possible-the-wco-data-model-latest-developments-and-implementation-guidance/) • the work of the WTO (https://www.wto.org/english/tratop_e/dtt_e/dtt_e.htm) • the work of UNCTAD as at https://unctad.org/system/files/official-document/cimem7d29_en.pdf • the provisions of the WTO Trade Facilitation Agreement • the “trade facilitation” and “Digital Trade” provisions of many of Australia’s Free Trade Agreement (such Chapter 14 of the A – UKFTA at https://www.dfat.gov.au/trade/agreements/in-force/aukfta/official-text/australia-uk-fta-chapter-14-digital-trade) <p>These only represent a selection of international bases which also support the adoption of such MTLER – style initiatives.</p>

Item #	STS Heading	Question number	Question	IFCBAA Response
2.1	Enabling paperless trade (Cont.)	Q9	What factors should the Australian Government consider if it were to adopt the MLETR? Are there inter-jurisdictional considerations that should be considered by the Australian Government in looking into whether to implement the MLETR domestically?	<ul style="list-style-type: none"> • Document retention and ownership • Privacy • Standards to allow parties to have access to and use the system (and the basis on which access and use is suspended or revoked). • Security of the system against illicit activities or intervention • Business Continuity Processes if the systems become unavailable - Two tier system?
2.2	Align border regulations, initially focusing on Fit and Proper Person (FPP) tests	Q10	Please describe your experience of the varying levels of administrative burden placed on your business in order to provide the information required to satisfy FPP tests.	<p>There needs to be sharing of relevant data across agencies so that the data needs only to be provided once by a party in the supply chain (the “one touch” approach). At the moment, LCBs, FFs and others in the supply chain need to deal with different “FFP” (or similar concepts such as the those entitled to be granted “Approved Arrangement” or “Approved Consignor” standards</p> <p>As per the STS Consultation Paper, current FPP tests assess the same criteria but to different standards (i.e., requiring different amounts of information). Applicants must repeatedly supply the same information to different agencies and comply with the unique processes and requirements of each.</p> <p>An overarching FPP test could be created that when completed in full, is sufficient for all current 45 administrative decision points. It may be constructed in such a way that allows for minimum data requirements and a cascading level of optional cells applicable to relevant agency requirements.</p>
2.2	Align border regulations, initially focusing on Fit and Proper Person (FPP) tests (Cont.)	Q11	What digital or other opportunities exist to streamline collection of all your requisite FPP information, and would they enable you to integrate possible future FPP monitoring requirements into your business’ own fraud and risk management process?	<p>On a daily basis, customs brokers register new CCID (Customs Client ID’s) and deal with the ICS (which we understand will be replaced with a Single Window) so these are two critical areas we have an interest in. With digital identities, IFCBAA understands and supports the need to advance this data security-based initiative, based on the personal identities being fully secure and only accessible, by authorised and relevant Government entities, for specific processes. Lessons can be learned from the approach of the ATO to “entity” based arrangements, the current MyGovID platform used by the Commonwealth as a means of identity verification, including the Department of Agriculture, Fisheries and Forestry (DAFF)</p>

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				<p>Biosecurity Portal. However, the DAFF Portal has been not entirely reliable meaning industry have periods where they cannot access the Portal. Any proposed platform needs to stable, reliable, secure, and cross-functional between all government agencies with jurisdiction at the border.</p> <p>A further example of an initiative which could help guard against fraud and risk would be to enable importers and exporters to “lock” use their identities to prescribed service providers which would preclude other “non authorised” service providers to use their trusted digital identities. Such an initiative would go a long way in reducing “piggybacking” or “identity theft” and give all members of the private supply chain certainty on the parties with whom they are dealing.</p>
2.2	Align border regulations, initially focusing on Fit and Proper Person (FPP) tests (Cont.)	Q12	Would you support your FPP test information being shared between relevant agencies and, if so, would there be any concerns or risks you’d want to see mitigated?	<p>IFCBAA would support FPP test information being shared between relevant agencies which currently adopt different forms of tests for their “approved” parties. IFCBAA also supports a regime which includes safeguards limiting the use of information across agencies with those agencies only able to access information relevant to the work of the agency. For these purposes, IFCBAA believes that there should be one agency protecting and managing access to the information by the agencies.</p> <p>Risks requiring mitigation would be the fundamental security of the system used for the collection and sharing of information to eliminate the access of non – approved parties to the information and the system. There should also be a process by which parties providing information to the centralised agency are protected against liability for unauthorised access.</p>
2.3	Reducing the cost of engaging in cross-border trade	Q13	How can we reduce the cost of cross-border trade administration?	<ul style="list-style-type: none"> • Have one set of requirements across agencies for FPP or other requirements to secure preferential treatment for certain parties in the supply chain. • One reporting portal for import and export transactions (i.e., TSW) • Have one portal through which all parties can access to regulations/requirements of all parties whether service providers, importers and exporters, whether in Australia or overseas markets • Have proper accountability for charges rendered by agencies – clarity of the basis for charges and return of over – recovery.

Item #	STS Heading	Question number	Question	IFCBAA Response
2.3	Reducing the cost of engaging in cross-border trade (Cont.)	Q14	How can information on the tariff concession system be more accessible and what are the opportunities to simplify the tariff concession system?	The Australian tariff concession system is among the most complex and confusing systems in our environment. There are significant restrictions on importers being able to secure "Tariff Concession Orders" (TCO). Specifically, the fact that an Australian industry is capable of producing substitutable goods makes it unreasonably difficult to secure a TCO.
2.4	Trade border controls	Q15	Are there any border controls that you consider have a high regulatory burden on your business?	Sanctions control on imports and exports change regularly so being compliant with the changes is very difficult for importers, exporters and their service providers.
2.4	Trade border controls (Cont.)	Q16	How many border controls would your business typically interact with? Please identify the impact of border controls on your business	<p>The two main border agencies that businesses typically interact with to obtain customs clearance and 'release' of goods are the ABF and DAFF. Depending on the commodity of goods being imported or exported, businesses providing professional services for general cargo customs clearance and freight forwarding will interact with multiple agencies and sub-agencies thereof that each have their own legislative, procedural and border control requirements. There are 32 agencies working at the border and over 200 pieces of legislation in place, plus related regulations and directions. A non-exhaustive list as per below:</p> <ul style="list-style-type: none"> • Australian Border Force • Department of Agriculture, Fisheries and Forestry • Australian Taxation Office • Therapeutic Goods Administration • Department of Infrastructure, Transport, Regional Development and Communications and the Arts • Department of Climate Change, Energy, the Environment and Water • Department of Health and Aged Care • Department of Industry, Science and Resources • Department of Foreign Affairs and Trade • Department of Defence

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				<p>The customs clearance process will require, at a minimum, interaction with the Australian Border Force. In addition, many customs clearance processes require interaction and document assessment/goods inspection by the Department of Agriculture, Fisheries and Forestry.</p>
2.4	Trade border controls (Cont.)	Q17	Are there any specific border controls that could be streamlined?	<p>One of the key elements of cross border regulation is identifying potential supply chain vulnerabilities and it is often determined based on the delivery address of the goods. In respect of this, it has been noted that the two key government organisations DAFF and ABF have a similar view on this however the disparity and alignment of their goals needs to be addressed within any potential system as the regulations associated with DAFF and ABF are differing in their views when it comes to systems.</p> <p>Under DAFF – the delivery address is used to determine the location of where the container (in the case of FCL) is being unpacked. It is common that many companies utilise a distribution hub, as they may have their head office or physical presence in another state. In these cases, the LCB is required to input into the customs declaration the point at which goods are being unpacked. This may not be the final destination as they may be distributed to various points within the city or outside of the metro area, where the distribution centre is located. This element satisfies the requirements of DAFF legislation detailing the physical location that the container is unpacked.</p> <p>This however is in conflict with ABF requirements where they want the “end user” to be detailed on the import declaration. In some cases, due to logistics and the dehire requirements, containers are unpacked in metro areas to avoid any DAFF impediments and then delivered loose to the end consignee therefore in the import declaration, this would show as the City/Metro address of the distribution centre. This doesn’t align with ABF requirements and there is currently no option within the ICS to show two separate addresses – one being the end user and one being the unpack address.</p> <p>If ABF require the “end consignee” to be detailed as per Goods Compliance Update (Autumn 2023 – page 16), the design of the system would need to allow for multiple addresses to be included.</p>

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				<p>Whilst an LCB is compliant in regard to DAFF regulations for unpack of a full container, the mere input of the distribution centre, which is the intermediary in the supply chain, would render an LCB non-compliant as the address is not the final delivery point.</p> <p><u>Delivery Address</u></p> <p>Address details are mandatory for import declarations. The Approved Statement requirement for the Delivery Address field is "The address identifying where the goods are finally destined". Entry of an intermediary address, such as a depot or logistics service provider address, is not appropriate.</p> <ul style="list-style-type: none"> ● Please ensure the correct address details are recorded on import declarations. Compliance action may be undertaken where an address other than the delivery address of a consignment is recorded. <p><u>Postcode delivery classifications - DAFF (agriculture.gov.au)</u></p> <p>Such elements like a delivery address are viewed differently in the import declaration and alignment of the goals and regulations need to be considered when designing the new STS.</p>
3.1	Trade Single Window (TSW)	Q18	What global best-practice examples of digital improvements might be relevant in the Australian context?	<p>As indicated in the examples of best-practice models in response to question 5.</p> <p><u>Proposed European Union Customs Reform</u></p> <p>In response to a huge increase in trade volumes, especially in e-commerce, and geopolitical shifts, the European Customs Union is proposing comprehensive customs reform to simplify customs processes for business, especially for the most trustworthy traders.</p> <p>One of the proposals is the introduction of an EU Customs Data Hub which will act as the engine of the new system. The aim is to simplify and rationalise customs reporting requirements for traders, for example by reducing the time needed to complete import processes and by providing one single EU interface and facilitating data re-use.</p> <p><u>https://taxation-customs.ec.europa.eu/customs-4/eu-customs-reform_en</u></p> <p><u>The EU Single Window Environment for Customs</u></p> <p>In 2022, the European Parliament passed legislation establishing the European Union Single Window Environment for Customs. The EU Single Window Environment for Customs</p>

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				<p>will enable interoperability between the customs and non-customs domains to streamline the electronic exchange of documents and information required for the goods clearance process. The framework legally establishes a centralised system to interconnect the import, export and transit systems of the Member States with Union non-customs systems that manage non-customs formalities. This system is designed to improve the sharing and processing of data submitted to customs and non-customs authorities by economic operators by ensuring that those authorities receive the original data in real time.</p> <p>The second phase of the reform is planned for 2031 which will provide a Business-to-Government scheme to simplify clearance processes for economic operators when moving goods in and out of the EU. This scheme will allow economic operators to use a single portal to submit data in an individual Member State for each specific policy domain phased in under the EU Single Window Environment for Customs, instead of submitting the data separately to both the customs systems and the partner competent authorities' systems</p>
3.1	Trade Single Window (Cont.)	Q19	What are the priority improvements from a whole-of-government digital services perspective you would see delivering early benefits to business?	<p>The five principles identified by the STS Implementation Taskforce regarding modern digital systems and processes, are ultimately based on the formation of a trade single window. By its nature, a properly functioning TSW allows a 'tell us once' capability which is only permissible should there be digitisation of manual paper-based processes, data sharing, using modern interfaces and the reuse of existing whole-of-government platforms.</p> <p>WTO's Trade Facilitation Agreement Article 10(4) - Members shall endeavour to establish or maintain a single window, enabling traders to submit documentation and/or data requirements for importation, exportation, or transit of goods through a single entry point to the participating authorities or agencies.</p> <p>Proposed changes to customs broker licence conditions include "A customs broker must undertake due diligence and take reasonable steps to verify the identity of their client. At a minimum a customs broker must obtain and retain two forms of identification, including a government issued identity document that contains a colour photo." This is already undertaken by LCB's, but it is an onerous condition to comply with, due to the limited resources available to LCB's and businesses, combined with other LCB responsibilities, obligations and technical proficiencies needed.</p>

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				<p>A centralised data bank of known and trusted parties would be vital to create a robust and secure trading system.</p> <p>Consideration given to altering previously accepted minimum requirements such as the reporting of FID's without the need for final vessel details to allow screening from ABF and other border agencies at an earlier point in the movement of goods.</p>
3.2	Entity management and digital identity	Q20	Do you or your business currently use services like myGovID for digital identification?	<p>LCB's and FF regularly use myGovID for digital identification when accessing the DAFF Biosecurity Portal. For some members, access would be required multiple times per day. The Biosecurity Portal is structured in such a way that only when being accessed using MyGovID will full functionality of the portal be given. The Biosecurity Portal has had seven unique unplanned service disruptions up to 27 July 2023 due to a fault with MyGovID.</p>
3.2	Entity management and digital identity (Cont.)	Q21	How might use of digital identification in cross-border trade interactions impact your business?	<p>All LCB's currently communicate with the ABF using digital certificates which provide the security features of authentication, integrity and non-repudiation. Digital certificates are not immune to security vulnerabilities and attacks which can undermine their integrity. New technology that increases the security and verification of identity of domestic communicators to the ABF is welcome.</p> <p>The digital identification of trading partners is a different issue due to the varying levels of IT sophistication amongst traders. The initial setup of digital identification would be difficult among small and/or infrequent traders who may not have all the necessary information available to create an acceptable digital identity. It is however, understood that the identity of all cross-border traders is critical for Australia's security and the integrity of customs related functions.</p> <p>The U.S. Customs and Border Protection has introduced the Global Business Identifier (GBI) initiative to develop a single identifier solution that will improve the U.S. government's ability to pinpoint high-risk shipments and facilitate legitimate trade, create a "common language" between government and industry, and improve data quality and efficiency for identification, enforcement, and risk assessment. The project will focus on creating a unique identifier that will represent a company's primary legal entity and ownership, its specific business, global locations and the supply chain role it performs within a transaction.</p>

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4	Cross-border trade data sharing	Q22	Does the Framework reflect your views of how the Australian Government should approach improvements to the collection and use of cross-border trade data?	The Framework is an important element of the STS project and a key pillar principle of achieving cross-border trade simplification. IFCBAA agrees with its scope of intending to be adaptable to different legislative, technology, and data contexts, and encourages a ‘whole-of-system’ approach to data exchange, integration and interoperability to enable an efficient cross-border trade environment. IFCBAA members believe the six guiding principles underpinning the Framework are most important in ensuring proper and safe use of data.
4	Cross-border trade data sharing (Cont.)	Q23	Are there benefits or concerns with the sharing of data collected by trade agencies beyond government to facilitate trade (e.g., with foreign governments or third parties that facilitate trade, such as financiers)?	Privacy is a major issue throughout many aspects of the STS, with personal identity and data and business data largely entering the digital domain with no known assurances as to where, how and by whom the data will/can be used. Transactional export data used for transactional import data is a methodology being considered for streamlined cross-border trade as the information provided and gathered is what is required to satisfy the customs requirements of most trading countries. It is the information gathered outside of the customs requirements which have privacy implications. Businesses that trade in high-risk goods or those that are politically sensitive entities may face undue discrimination beyond trade agencies – financial, foreign government etc.
5	Streamlining the cargo intervention model	Q24	What benefits might Australian businesses see from a streamlined cargo intervention model? What data can you share with us about your experience with the current model?	<p>An efficient cargo intervention model is a product of a successful and clearly designed cross-border trade policy, one in which the STS aims to achieve.</p> <p><u>Key Benefits</u></p> <ul style="list-style-type: none"> • Reduced transaction cost • Reduced transaction processing time • Provides a predictable lead-time for cargo clearance • Adaptable to new and emerging business and IT practices. <p><u>Current Model</u></p> <ul style="list-style-type: none"> • Unpredictable lead-time for cargo clearance when intervention occurs – importers, freight forwarders, LCB’s, transport operators, stevedores and warehouses. • Lack of visibility and knowledge which leads to uncertainty and an increase in transaction time and cost. Wharf storage penalties are particularly damaging.

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5	Streamlining the cargo intervention model (Cont.)	Q25	What opportunities do you see for industry collaboration and involvement in co-design of the cargo intervention model?	<p>A co-design model taking into account the requirements for the private sector and government agencies who both have shared experience and individual expertise across the whole cross-border trade environment. Prosperous service providers that cater for private sector needs whilst fulfilling government agency requirements.</p> <p>The key to an effective cargo intervention model is the full utilisation of data and risk analysis combined with tailored technology systems. The private sector is the innovator for logistics and other business models which lead to changes to how goods are moved internationally. As is often the case, governments play 'catch-up' in adapting to these changes creating delays and inefficiencies in the interim.</p>																		
6	Other	N/A	Refer Recommendation 20	<p>Whilst the weight and volume of Seafreight imports heavily outweighs Airfreight volumes into Australia, to date, it appears the STS methodologies and workings, have been heavily concentrated on the Sea mode of logistics. From a border clearance perspective, specifically in relation to Formal Import Declarations (FIDs), from 1 July 2022 to 30 June 2023, 57% of FIDs are airfreight related compared to 42.4% Seafreight and 0.5% other (please see below).</p> <table border="1" data-bbox="1120 829 2083 1045"> <thead> <tr> <th colspan="3">Import Declarations - 1 July 22 to 30 June 23</th> </tr> <tr> <th></th> <th>FULL IMPORT DECLARATION</th> <th>PERCENTAGE OF TOTAL</th> </tr> </thead> <tbody> <tr> <td>AIR</td> <td>2,488,579</td> <td>57.0%</td> </tr> <tr> <td>SEA</td> <td>1,851,891</td> <td>42.4%</td> </tr> <tr> <td>OTHER</td> <td>22,506</td> <td>0.5%</td> </tr> <tr> <td>TOTAL</td> <td>4,362,976</td> <td>100.0%</td> </tr> </tbody> </table> <p style="text-align: right;">Source: Australian Border Force, 24 July 2023</p> <p>Note: The above airfreight figures does not include Self Assessed Clearances (SAC) for goods under \$1,000 or e-commerce commodities.</p> <p>From these statistics, it is imperative, airfreight modelling, understanding and representation is increased within the STS Industry Advisory Council and subsequent workgroups.</p>	Import Declarations - 1 July 22 to 30 June 23				FULL IMPORT DECLARATION	PERCENTAGE OF TOTAL	AIR	2,488,579	57.0%	SEA	1,851,891	42.4%	OTHER	22,506	0.5%	TOTAL	4,362,976	100.0%
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6	Other	N/A	Refer Recommendation 21	<p>The STS recognise and engage global standards for transportation i.e. IATA ONE Record for air, and the IMO Compendium on Facilitation and Electronic Business for sea.</p> <p>IMO Compendium - The IMO Compendium on Facilitation and Electronic Business (IMO Compendium) is a reference model which aims to harmonize the semantics and format for all information in the maritime domain relevant to the IMO. The IMO data set and reference model ensures that IT systems from different stakeholders can exchange data with shared meaning, supports harmonization, port call optimization and not least will facilitate the development of green and digital corridors. Collaboration with the World Customs Organization, the United Nations Economic Commission for Europe, the International Standards Organization and now with the International Hydrographic Organization (IHO) ensures full alignment across the supply chain.</p> <p>https://www.imo.org/en/OurWork/Facilitation/Pages/IMOCompendium.aspx</p> <p>IATA ONE Record - ONE Record is a data-sharing standard whose aim is to improve the efficiency, transparency, and collaboration in the air cargo industry. It follows from the work done by the air cargo industry with the e-freight program since 2005, that set the foundation for the digitalization of the air cargo industry and led to the implementation of the e-AWB which is now used for most shipments. ONE Record is a data sharing standard that provides a single record view of shipments, facilitating data integration, system connectivity, and security among airlines and their partners. This standard promotes digital innovation and expands the use and role of data in the industry. The technical standard is composed of a:</p> <ul style="list-style-type: none"> • Common data model for air cargo that facilitates data integration with existing and new data services • API specification that details how airlines and their partners can easily connect their systems with each other • Security specification that ensures data privacy and confidentiality for all parties <p>Specifications are available at www.iata.org/one-record</p>

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6	Other	N/A	Refer Recommendation 22	Underbond Movement Request (UBMR) process review for airfreight. Whilst most larger freight forwarders have automated this process, there are many small to medium enterprises (members) who have to manually complete this message request. This messaging task is repetitive and cumbersome, especially for airfreight which arrives on weekends or after normal business hours.