

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?

A key aspect of reform in the broad area of international trade is to recognise that there are many interests and that ESG principles must guide both analysis of options and choices about what is implemented. It is impossible to go forward on a purely institutional basis: co-design with stakeholders can provide the correct balance in achieving change. Tax policy development, review and implementation is a reasonable paradigm for trade reform. As to prioritising, my view is that trade reform in Australia must align our system with the supply chains and economies that are/will be most significant partners in the future. Understanding the core attributes of "desirable" trade will allow a comparative approach in determining a hierarchy of issues to be considered and addressed.

Q2. Which of these regulatory reforms would deliver the most practical benefits for business? Are there other reforms you would recommend we prioritise?

Tariff/Concession and ROO reform would assist in some cost relief for Australian business. Currently, the same good entering Australia can have multiple possible duty rates, depending on origin or the presence of concessions. We must adopt a uniform approach to tariff treatment based on domestic economic outcomes and not as a bargaining chip in trade negotiations. ROOs are an anachronism and should be dispensed with, (as an example) substituting commercial tests of purchase and ownership in an FTA jurisdiction.

Q3. What is your experience in understanding cross-border trade regulation? How accessible do you find this information? How can better guidance on regulatory requirements be provided?

The act of importing or exporting triggers a range of supply chain and regulatory requirements. Much of the commercial supply chain complexity and cost arises due to an environment that is shaped by the regulation - a big topic that needs extensive review. The regulations governing trade in Australia are poorly understood by most businesses and this has an impact on risk and revenue issues. However, the administration of customs and related law has never been so distant from its constituents! Business therefore is forced into the hands of intermediaries who do not typically seek best practice outcomes. ABF, D.Ag etc need to be closer to the traders themselves and understand how they work. There is a place for enhanced education for the trading community, in partnership with all participants in the sector.

Q4. What duplication in cross-border regulation have you experienced? What are the opportunities to streamline?

Reporting requirements for imports are repetitive (4-5 times for similar information) and impose cost and time delays. A smart system approach would offer preloaded data formats that requested only new information at successive points in the reporting/supply chain.

Q5. What international best practices or models could be adopted or adapted to improve the cross-border trade regulatory environment?

Oddly enough, Mozambique has an impressive single window system that could serve as a foundation for amending the ICS model. Netherlands uses a system that works well in the complex EU environment and is known for its facilitation. Singapore progressively reforms its system in line with the needs of its commercial / logistics sector, but it is well past being a comparison for Australia at this stage.

Q6. What is your experience with paper-based and electronic records in how you interact in cross-border trade with the Australian Government?

I've had difficulty receiving and sending significant data files in dealing with the ABF. As an example, I've received CDrom media due to transfer limitations. The ATO has up-to-date data transfer arrangements in place, which should be available to other interaction with government. Dept of Ag communications and information transfers are primitive and not suitable for 21st century commerce.

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?

My transfers are on behalf of clients and are not representative of normal business processes. However, I note that the stated service standards are rarely met.

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?

The key advantage of the UNCITRAL model is that it can provide a uniform standard. Other initiatives may do the same, however general agreement and acceptance is what will drive efficiency and cost reduction. I think that the ICC have considered this issue and the WCO guidance on the dematerialisation of supporting documents provides an implementation model.

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?

Significant changes of this type have traditionally required agreement between trading partners at a government level. Commercial acceptance and conformity are equally important.

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.

I think that industry has accepted the progressive regulation of international supply chains as a necessary response to risk. There is a perception that there are too many levels of security accreditation at the border or for border related services. These include Dept of Transport, Known Consignor, Trusted Trader, Depot and others, in terms of risk mitigation, it has not been demonstrated why a single standard of check would be inferior to the current diversity of approach.

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?

Significant digital exchanges between government and businesses should be modelled on a digital certificate system such as the one used by the ICS. This could be used for the transfer of sensitive personal and other data.

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?

I expect that it already is under various MOUs.
Uniform standards of technology and administration would make this acceptable.

Q13. How can we reduce the cost of cross-border trade administration?

Assist business to meet their compliance obligations, through education and outreach. Provide technical assistance in an accessible manner, other than merely website-based information.

Q14. How can information on the tariff concession system be more accessible and what are the opportunities to simplify the tariff concession system?

The TCO system must no longer be used as a (heavily flawed) instrument of protection. The CEO of Customs (delegate) must assume role of a facilitator rather than a gate keeper and genuinely assess the merits of objections. An internal culture of "win at all costs" has imposed unnecessary costs on innovation and productive capacity in Australia.

Q15. Are there any border controls that you consider have a high regulatory burden on your business?

The whole approach to risk and mitigation/treatment needs to be reconsidered.

Q16. How many border controls would your business typically interact with? Please identify the impact of border controls on your business.

Customs, Agriculture, Heritage and Environment,

Q17. Are there any specific border controls that could be streamlined?

As per Q15.

Q18. What global best-practice examples of digital improvements might be relevant in the Australian context?

Singapore, but we are far behind.

Q19. What are the priority improvements from a whole-of-government digital services perspective you would see delivering early benefits to business?

Parallel processing by Depts of import requirements, using common entity information.

Q20. Do you or your business currently use services like myGovID for digital identification?

yes.

Q21. How might use of digital identification in cross-border trade interactions impact your business?

Very useful if government services and reporting are coordinated - common client ID - and processes are simultaneous.

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?

yes. The framework represents a reasonable, conceptual start.

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)?

Government to government sharing of trade entity data is essential for long term supply chain benefits. However, the risks expand with the breath and diversity of users/destinations. It could be an election of a trade system client to allow data sharing with financiers.

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?

From my experience, the current cargo intervention model works well until the resolution stage. It seems to take lots of time to get the cargo released, post intervention. I see this as part of a broader client service issue. The greater the detention time, the greater the cost of capital, the longer the time to market.

Q25. What opportunities do you see for industry collaboration and involvement in co-design of the cargo intervention model?

I think there needs to be a revisiting of the border cargo risk model, prior to considering the role and execution of intervention. ABF and other agencies have been loath to explain how risk is mitigated. Industry is keen to do everything possible to avoid risk, non-compliance, business interruption etc. I think that lots could be done to assist border security and interdiction with collaboration.

Any other feedback/comments?

The STS Taskforce has started to address highly important issues that will influence the future prosperity of Australia. As the [redacted] and as specialist in this field, I commend the work so far, but urge decision makers to maintain the STS T, as a permanent body. Its purpose would be to develop and guide the changes that are needed to bring Australia in line with 21st century, 1st world trading systems and supply chain. I would be pleased to contribute further to matters raised in my response.