



Australian Government
Simplified Trade System
Implementation Taskforce

Simplifying Australia's Cross-Border Trade Environment: Melbourne Economic Forum

Thursday, 9 November 2023

Randall Brugeaud

Head of the STS Taskforce

Simplified Trade System Implementation Taskforce (STS)

International trade is crucial for Australia



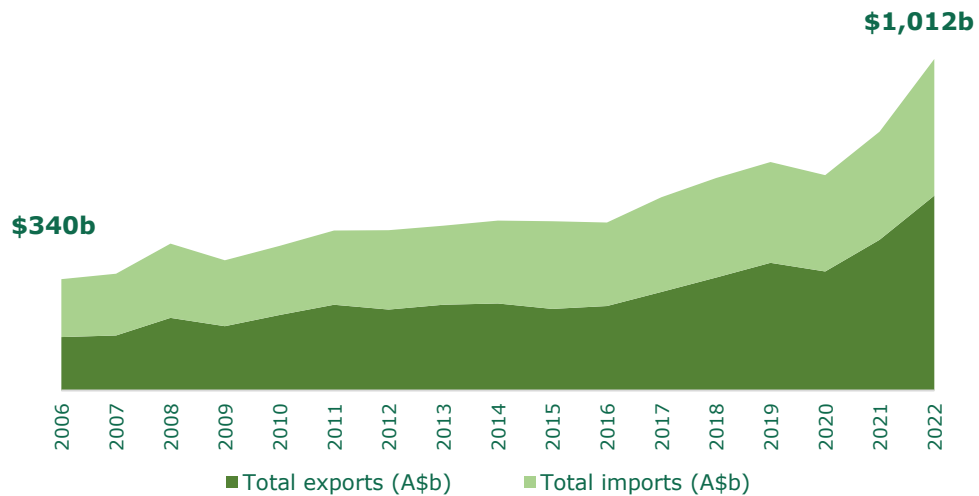
1 in 4 Australian jobs trade-related



Trade equivalent to **41%** of GDP



Merchandise trade worth **AUD\$1 trillion**







Our relationship with the Asia Pacific





- The Asia-Pacific is of significant geo-strategic importance for Australia.
- APEC partners make up around 75% of Australia’s total trade in goods and services.
- Regional economic integration contributes to Australia’s economic growth and prosperity.

But our foundations are no longer fit for purpose





We are falling behind





- Duplicate information costs Australian businesses **\$431m annually.**
- Processing and handling paper documents costs **\$589m every year.**

	3 hours
	12 hours
OECD	19 hours
	40 hours
	42.5 hours

	235 USD
OECD	246 USD
	372 USD
	404 USD
	1030 USD





Export Compliance

	9 hours
OECD	20 hours
	26 hours
	36 hours
	43 hours

OECD	158 USD
	260 USD
	275 USD
	446 USD
	639 USD

Import Compliance

Our current cross-border trade environment is complex, fragmented and inefficient:

- 200+** regulations  **76%** are in need of updating
- 32%** are duplicated 
- 145** ICT systems  **4 in 5** are not using modern technologies
- 15** essential for trade and more than 15 years old 

Six pain points for business:

Hard to access information	Duplicative processes	Opaque and inconsistent processes
Complex regulations	Inflexible technology	Border delays

The Simplified Trade System (STS) reforms

Whole-of-government reforms to create a simpler, more effective, and sustainable cross-border trade environment for Australia.

Objectives

-  Simpler and more consistent trade rules
-  More integrated trade-related services
-  Higher levels of digitisation and data sharing
-  More modern ICT systems and processes
-  Skilled and adequately resourced workforce
-  Fair and sustainable funding models
-  Continued strengthening of Australia's border, biosecurity and community protections

Outcomes

-  **Easier and cheaper trading for Australian businesses, lifting productivity and growing jobs**
-  **Improved supply chain resilience and reduced cost of living pressures**
-  **Increased Australia's global cross-border competitiveness**
-  **Increased efficiency and effectiveness of government administration**

The potential benefits are significant

Integrated reforms will provide benefits to business, government and the economy:

- Time and cost savings
 - The US's Automated Commercial Environment (ACE) required 2.5M fewer processing hours resulting in \$640M in savings
- Improved government administration
 - South Korea's uTradeHub will save up to \$550M by eliminating redundancies and reductions in cost of labour, and a further \$320M in redundant investments in Information Technology.
- Increased productivity
 - Singapore's Networked Trade Platform will bring (NTP) SGD600M worth of man-hour savings each year for Singapore's businesses
 - South Korea's uTradeHub will help businesses reduce inventory and warehousing costs by around \$2.9B.
- GDP growth
 - GDP growth will be derived through enhancements in productivity and uplift in cross-border trade.



**Simpler and faster
cross-border trade**



**Higher trade volumes
and revenue**



**National
prosperity**

Adopting best practice: global trends in paperless trade



Key trading partners have recently introduced a policy allowing digital documents in trade, highlighting the **global trend toward embracing border reforms**. They include:

- **Singapore** passed the *Electronic Transaction (Amendment) Act 2021* in Feb 2021 providing a legal framework for nearly all digital services including ecommerce, electronic records, electronic contracts, signatures, etc.
- **The United Kingdom's** *Electronic Trade Documents Act 2023* came into effect in September 2023 giving legal recognition in English law to electronic trade documents, including electronic bills of lading.
- **The United States of America** has legislation in place to allow electronic use of most transferable documents, but further work is needed to allow electronic of use of some specific documents, including bills of lading.

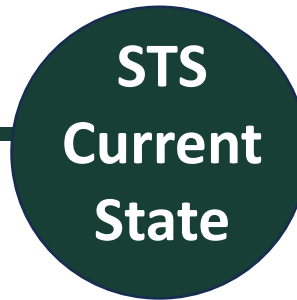
Whole-of-government transformational change is a journey. STS is delivered incrementally to bring progressive benefits to business.

STS Taskforce Established



Understanding the complexities

- ✓ User journey mapping
- ✓ Identifying pain points
- ✓ Consultation on proposed reforms
- ✓ Quick wins:
 - Go Global Toolkit
 - Biosecurity Booking Portal
 - Realtime ICS status notification
 - Piloting upstream supply chain data to manage border risks
 - Nationally-consistent guidance on the storage of illicit goods



STS Current State

Ongoing co-design, co-implementation, incremental benefits

- ✓ Advice to government on further STS initiatives
- ✓ Ongoing consultation with domestic & international stakeholders
- ✓ Continuous improvement
- ✓ Reform work already confirmed/underway for FY2023/24:
 - Agricultural traceability and credentials 'ecosystem'
 - Digital verification platform
 - Aligning government accreditation and authorisation schemes
 - Regulatory reforms to simplify and align cross-border trade processes
 - Increasing data sharing between government agencies

STS Future State



Priorities for engagement

Business engagement

Our priority is to work with business to ensure we focus on those reforms which will deliver early benefits to business and the Australian economy while also building solid foundations for ongoing reform.

International engagement

We continue to learn from the experiences of international stakeholders, partnering in the design and implementation of reforms.

This includes learning from **APEC** countries' work to improve trade facilitation through digitalisation of border processes and strengthening customs cooperation.





Australian Government
Simplified Trade System
Implementation Taskforce

Thank you



www.simplifiedtrade.gov.au



www.linkedin.com/company/simplified-trade-system-implementation-taskforce/



Australian Government
Simplified Trade System
Implementation Taskforce

Paperless trade for productivity

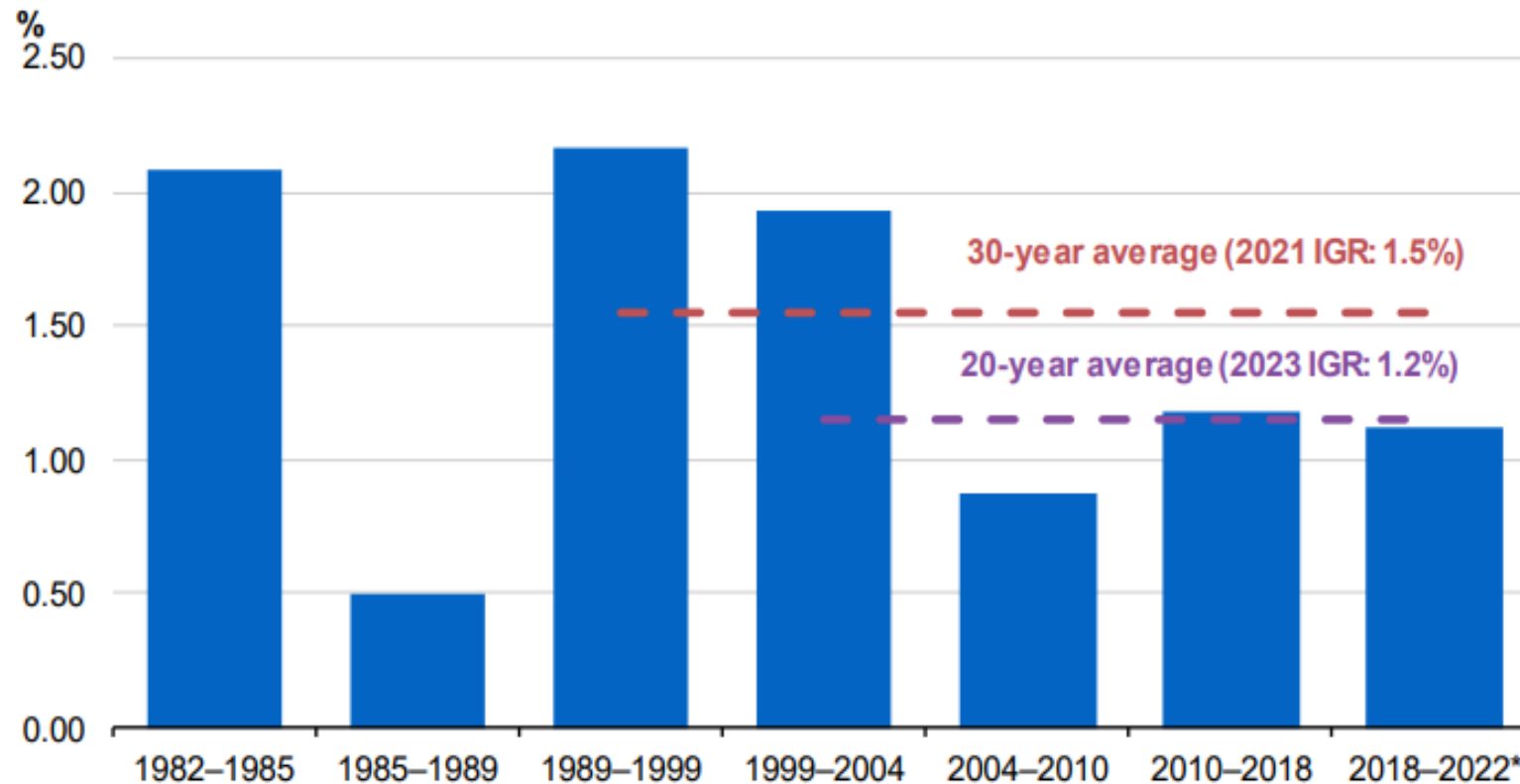
9 November 2023

Dr Paul Hubbard

a/g Deputy Head of Simplified Trade System (STS) Implementation
Taskforce

Australia's productivity challenge is well known

Australia's labour productivity growth

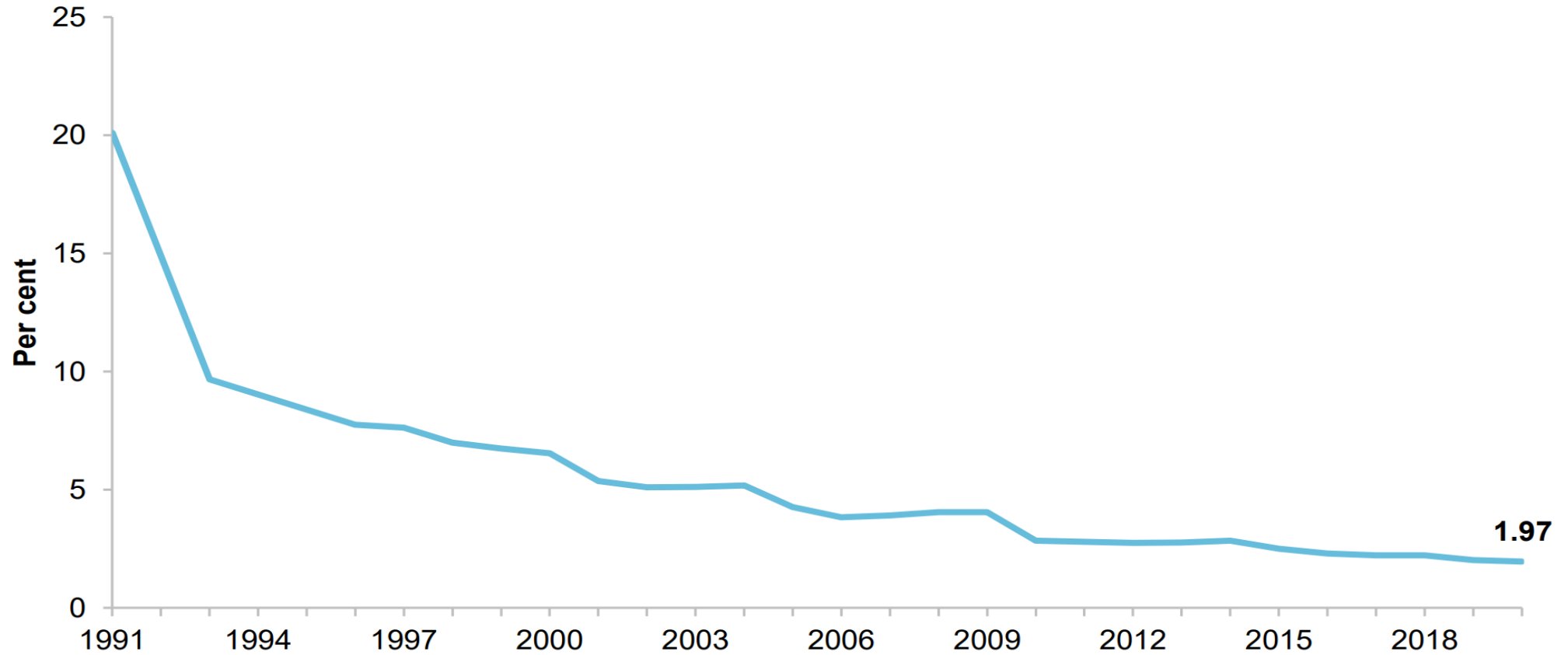


Note: Productivity cycles determined by the ABS. 2018-2022 is not a complete productivity cycle. The dashed lines represent 20-year and 30-year productivity growth averages to 2021-22.

Source: Treasury analysis of ABS 2022 Australian System of National Accounts.

Australia's tariff wall has fallen

Average applied tariff rate, weighted by value of imports, 1991–2020



Source: World Bank data on Australia cited in Productivity Commission (2022) *The Nuisance Costs of Tariffs*



Australian Government
Simplified Trade System
Implementation Taskforce

But significant trade facilitation costs remain

6-1-05 T.M. b. 200 (vs. ex.), C. E. F. (BILL OF LADING) Form 415. (Revised)

SOUTHERN RAILWAY COMPANY.

T. U. POWELL, Freight Traffic Mgr., Washington, D. C. L. GREEN, Gen'l Fr't Ag't, Atlanta, Ga.
R. L. McKELLAR, Asst. Fr't Traffic Mgr., Louisville, Ky. J. J. HOOPER, Fr't Claim Ag't, Washington, D. C.

The shipper may elect to accept the conditions printed on the face and back hereof, and the railroad rates applying thereunder, or may, as provided below, require the carriage of the property at carrier's liability.

If the shipper elects to accept the said railroad rates and conditions, he should so notify the agent of the receiving carrier, in writing, at the time his property is offered for shipment, and if he does not give such notice will be understood to have accepted the presently applied rates and conditions of Lading, subject to the carrier's liability thereon, and to be bound by the conditions of the Standard Bill of Lading, which will be the carrier's liability, subject only as provided by Carriage Law and by the Rules of the United States and of the several States, in so far as they apply. Property thus accepted will be shipped freight free per cent, higher (except for a minimum increase of 50 cents per hundred pounds) than (including subject to the conditions of the Standard Bill of Lading.

Received by the SOUTHERN RAILWAY COMPANY
at Stinson, 3-24-190
from _____

The property described below, is received for carrier, subject to the conditions and liabilities set forth in the back hereof, marked, counted and sealed as indicated below, which shall remain in force to the destination. For the use of the shipper, or other party, to be done in another carrier or to other destinations, in consideration of the rate charged, under the conditions of the Standard Bill of Lading, it is hereby agreed to be so marked, received and shipped, at all or any of said property and all or any portion of said property, and to be marked, received and shipped, in all or any of said property, that every article to be performed hereunder shall be subject to all the conditions, which are printed or written, on the face or back hereof, all of which are agreed to by the shipper as well as Agent for the owner and accepted for himself or his assignee in full and irrevocable.

MARKS AND NUMBERS:	ARTICLES.	WEIGHT. (Subject to Correction.)
Consignee	Flour Woodhouse Bros	
	10 bags	70
	10 bags	100
	10 bags	20

Place _____
County _____
State W. Va.
Consignee's address or reference only, and use for purpose of delivery.

Route _____

Receive, carry and deliver the articles described above, subject to the conditions on the face and back hereof (see B.P. above)

Charges advanced, \$ _____
and \$ _____ Agent.

(The signature of the Agent here acknowledges only the receipt of the property, and the charges advanced, if any.)

The Blank Spaces Below Must Not Be Filled Up by the Shipper.

The rate of freight thereon _____ is in class _____

PER ONE HUNDRED POUNDS.													For Special				
1st Class	2d Class	3d Class	4th Class	5th Class	6th Class	7th Class	8th Class	Class A	Class B	Class C	Class D	Class E	Class F	Class G	Class H	Class I	SPECIAL

Received by _____ Agent.
(The signature of the Agent here acknowledges only the receipt of the property.)

Received by _____ Agent.
(The signature of the Agent here acknowledges only the receipt of the property.)

NOT NEGOTIABLE. If this bill of lading is to be used as a receipt for the property, it is subject to the conditions and liabilities set forth in the back hereof, and to the conditions of the Standard Bill of Lading, which will be the carrier's liability, subject only as provided by Carriage Law and by the Rules of the United States and of the several States, in so far as they apply. Property thus accepted will be shipped freight free per cent, higher (except for a minimum increase of 50 cents per hundred pounds) than (including subject to the conditions of the Standard Bill of Lading.

How significant?

\$2.4 billion for importers p.a.

\$4.2 billion for exporters p.a.

Of which \$4.2 billion is for
documentary compliance processes

Source: STS Implementation Taskforce and Deloitte Access Economics 2023

Bridge to progress: unpacking paperless trade literature

		Benefit Exploration	Result	Region	Source
Paperless Trade Benefits	1	Paperless trade savings	Estimated savings: 15% to 45% based on the stage of each economy's initiatives	APEC	UN 2014; UNCTAD 2020; Duval 2017; WTO 2015
	2	Increased revenue	Both private sectors and governments stand to gain increased revenue	Global	UN 2017
	3	Addressing misinvoicing	Reduction in discrepancies due to trade mis-invoicing, adding \$119B to \$183B to states' budget	Asia-Pacific	Kravchenko 2022
	4	Security, transparency, efficiency	Expected enhancements in supply chains with paperless trade	Global	Ha and Lim 2014
	5	Exports increase	Cross-border paperless trade expected to increase exports in Asia-Pacific by \$257 billion	Asia-Pacific	Sheperd 2014
	6	Electronic information processing	Reliability compared to error-prone paper-based trade, minimizing delays	APEC	APEC 2010
	7	Border clearance delays reduction	Anticipated reduction in delays	Global	UN 2014; APEC 2010
	8	Simplification, transparency, etc.	Transition to paperless trade can simplify procedures, boost transparency, enhance accountability	Global	UN Economic Commission for Europe 2006
	9	SMEs competitiveness	SMEs become more competitive through cost reductions and streamlined procedures	Global	OECD 2019c
	10	Better risk analysis	Electronic trade facilitates better risk analysis, preventing fraud and non-compliance	Global	UN Economic Commission for Europe 2006
	11	Productivity gains	Paperless trade substitution of capital for labor enhances productivity gains	Global	OECD 2019b
	12	Data reliability	Shifting to paperless trade enhances data reliability, enabling more informed decision-making	Global	OECD 2019b
	13	Emissions savings	High emissions savings from paperless trade implementation driven by efficiency gains	Global	Duval 2021
Trade Facilitation and Economic Impact	14	Trade Facilitation Agreement	Adoption of WTO's Trade Facilitation Agreement could lead to additional US\$1,454 billion to US\$1,665 billion export flows	Developed countries	WTO Secretariat 2015
	15	Time cost reduction	25% reduction in average cost of time to import and export could lead to additional US\$121.8 billion in trade flows for US and \$164.5 billion for EU	US, EU	Mevel et al. 2014
	16	Border clearance times impact	Reduction in times expected to increase the value of traded goods	Global	Djankov et al. 2010; Shepherd 2013; Fernandes et al. 2015

Bridge to progress: unpacking paperless trade literature

		Benefit Exploration	Result	Region	Source
Paperless Trade Benefits	1	Paperless trade savings	Estimated savings: 15% to 45% based on the stage of each economy's initiatives	APEC	UN 2014; UNCTAD 2020; Duval 2017; WTO 2015
	2	Increased revenue	Both private sectors and governments stand to gain increased revenue	Global	UN 2017
	3	Addressing misinvoicing	Reduction in discrepancies due to trade mis-invoicing, adding \$119B to \$183B to states' budget	Asia-Pacific	Kravchenko 2022
	4	Security, transparency, efficiency	Expected enhancements in supply chains with paperless trade	Global	Ha and Lim 2014
	5	Exports increase	Cross-border paperless trade expected to increase exports in Asia-Pacific by \$257 billion	Asia-Pacific	Sheperd 2014
	6	Electronic information processing	Reliability compared to error-prone paper-based trade, minimizing delays	APEC	APEC 2010
	7	Border clearance delays reduction	Anticipated reduction in delays	Global	UN 2014; APEC 2010
	8	Simplification, transparency, etc.	Transition to paperless trade can simplify procedures, boost transparency, enhance accountability	Global	UN Economic Commission for Europe 2006
	9	SMEs competitiveness	SMEs become more competitive through cost reductions and streamlined procedures	Global	OECD 2019c
	10	Better risk analysis	Electronic trade facilitates better risk analysis, preventing fraud and non-compliance	Global	UN Economic Commission for Europe 2006
	11	Productivity gains	Paperless trade substitution of capital for labor enhances productivity gains	Global	OECD 2019b
	12	Data reliability	Shifting to paperless trade enhances data reliability, enabling more informed decision-making	Global	OECD 2019b
	13	Emissions savings	High emissions savings from paperless trade implementation driven by efficiency gains	Global	Duval 2021
Trade Facilitation and Economic Impact	14	Trade Facilitation Agreement	Adoption of WTO's Trade Facilitation Agreement could lead to additional US\$1,454 billion to US\$1,665 billion export flows	Developed countries	WTO Secretariat 2015
	15	Time cost reduction	25% reduction in average cost of time to import and export could lead to additional US\$121.8 billion in trade flows for US and \$164.5 billion for EU	US, EU	Mevel et al. 2014
	16	Border clearance times impact	Reduction in times expected to increase the value of traded goods	Global	Djankov et al. 2010; Shepherd 2013; Fernandes et al. 2015

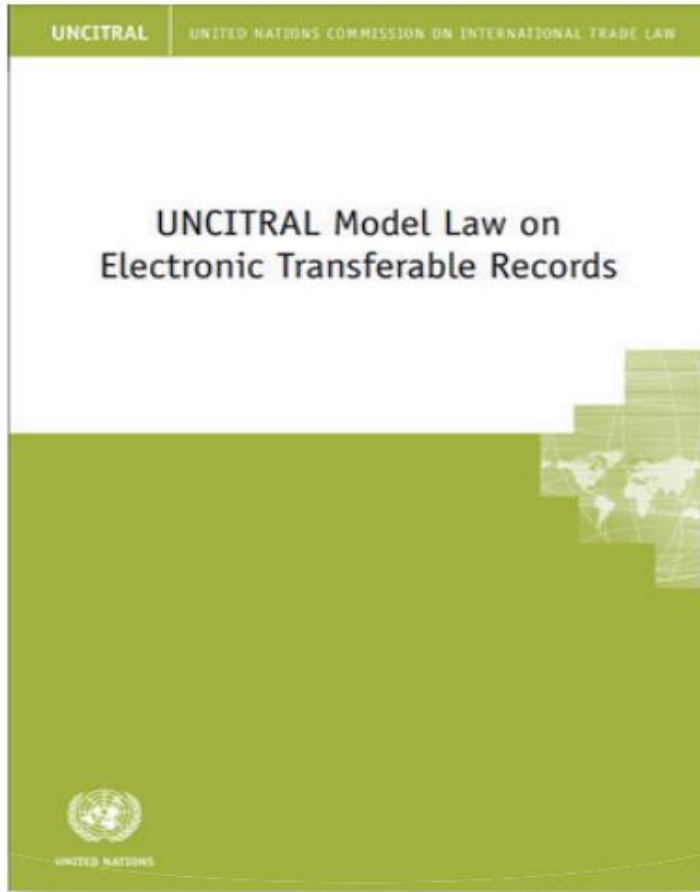
Bridge to progress: unpacking paperless trade literature

		Benefit Exploration	Result	Region	Source
Paperless Trade Benefits	1	Paperless trade savings	Estimated savings: 15% to 45% based on the stage of each economy's initiatives	APEC	UN 2014; UNCTAD 2020; Duval 2017; WTO 2015
	2	Increased revenue	Both private sectors and governments stand to gain increased revenue	Global	UN 2017
	3	Addressing misinvoicing	Reduction in discrepancies due to trade mis-invoicing, adding \$119B to \$183B to states' budget	Asia-Pacific	Kravchenko 2022
	4	Security, transparency, efficiency	Expected enhancements in supply chains with paperless trade	Global	Ha and Lim 2014
	5	Exports increase	Cross-border paperless trade expected to increase exports in Asia-Pacific by \$257 billion	Asia-Pacific	Sheperd 2014
	6	Electronic information processing	Reliability compared to error-prone paper-based trade, minimizing delays	APEC	APEC 2010
	7	Border clearance delays reduction	Anticipated reduction in delays	Global	UN 2014; APEC 2010
	8	Simplification, transparency, etc.	Transition to paperless trade can simplify procedures, boost transparency, enhance accountability	Global	UN Economic Commission for Europe 2006
	9	SMEs competitiveness	SMEs become more competitive through cost reductions and streamlined procedures	Global	OECD 2019c
	10	Better risk analysis	Electronic trade facilitates better risk analysis, preventing fraud and non-compliance	Global	UN Economic Commission for Europe 2006
	11	Productivity gains	Paperless trade substitution of capital for labor enhances productivity gains	Global	OECD 2019b
	12	Data reliability	Shifting to paperless trade enhances data reliability, enabling more informed decision-making	Global	OECD 2019b
	13	Emissions savings	High emissions savings from paperless trade implementation driven by efficiency gains	Global	Duval 2021
Trade Facilitation and Economic Impact	14	Trade Facilitation Agreement	Adoption of WTO's Trade Facilitation Agreement could lead to additional US\$1,454 billion to US\$1,665 billion export flows	Developed countries	WTO Secretariat 2015
	15	Time cost reduction	25% reduction in average cost of time to import and export could lead to additional US\$121.8 billion in trade flows for US and \$164.5 billion for EU	US, EU	Mevel et al. 2014
	16	Border clearance times impact	Reduction in times expected to increase the value of traded goods	Global	Djankov et al. 2010; Shepherd 2013; Fernandes et al. 2015

Bridge to progress: unpacking paperless trade literature

		Benefit Exploration	Result	Region	Source
Paperless Trade Benefits	1	Paperless trade savings	Estimated savings: 15% to 45% based on the stage of each economy's initiatives	APEC	UN 2014; UNCTAD 2020; Duval 2017; WTO 2015
	2	Increased revenue	Both private sectors and governments stand to gain increased revenue	Global	UN 2017
	3	Addressing misinvoicing	Reduction in discrepancies due to trade mis-invoicing, adding \$119B to \$183B to states' budget	Asia-Pacific	Kravchenko 2022
	4	Security, transparency, efficiency	Expected enhancements in supply chains with paperless trade	Global	Ha and Lim 2014
	5	Exports increase	Cross-border paperless trade expected to increase exports in Asia-Pacific by \$257 billion	Asia-Pacific	Sheperd 2014
	6	Electronic information processing	Reliability compared to error-prone paper-based trade, minimizing delays	APEC	APEC 2010
	7	Border clearance delays reduction	Anticipated reduction in delays	Global	UN 2014; APEC 2010
	8	Simplification, transparency, etc.	Transition to paperless trade can simplify procedures, boost transparency, enhance accountability	Global	UN Economic Commission for Europe 2006
	9	SMEs competitiveness	SMEs become more competitive through cost reductions and streamlined procedures	Global	OECD 2019c
	10	Better risk analysis	Electronic trade facilitates better risk analysis, preventing fraud and non-compliance	Global	UN Economic Commission for Europe 2006
	11	Productivity gains	Paperless trade substitution of capital for labor enhances productivity gains	Global	OECD 2019b
	12	Data reliability	Shifting to paperless trade enhances data reliability, enabling more informed decision-making	Global	OECD 2019b
	13	Emissions savings	High emissions savings from paperless trade implementation driven by efficiency gains	Global	Duval 2021
Trade Facilitation and Economic Impact	14	Trade Facilitation Agreement	Adoption of WTO's Trade Facilitation Agreement could lead to additional US\$1,454 billion to US\$1,665 billion export flows	Developed countries	WTO Secretariat 2015
	15	Time cost reduction	25% reduction in average cost of time to import and export could lead to additional US\$121.8 billion in trade flows for US and \$164.5 billion for EU	US, EU	Mevel et al. 2014
	16	Border clearance times impact	Reduction in times expected to increase the value of traded goods	Global	Djankov et al. 2010; Shepherd 2013; Fernandes et al. 2015

Cross-border trade requires cross-border certainty for business, trade finance and governments



The Electronic Transaction Act does not apply to Bills of Lading.



Objective

Facilitate seamless cross-border electronic transactions.



Key Principles

1. Interoperability
2. Security
3. Accessibility



Implementation

Collaborative effort among nations.
Integration with existing legal frameworks.

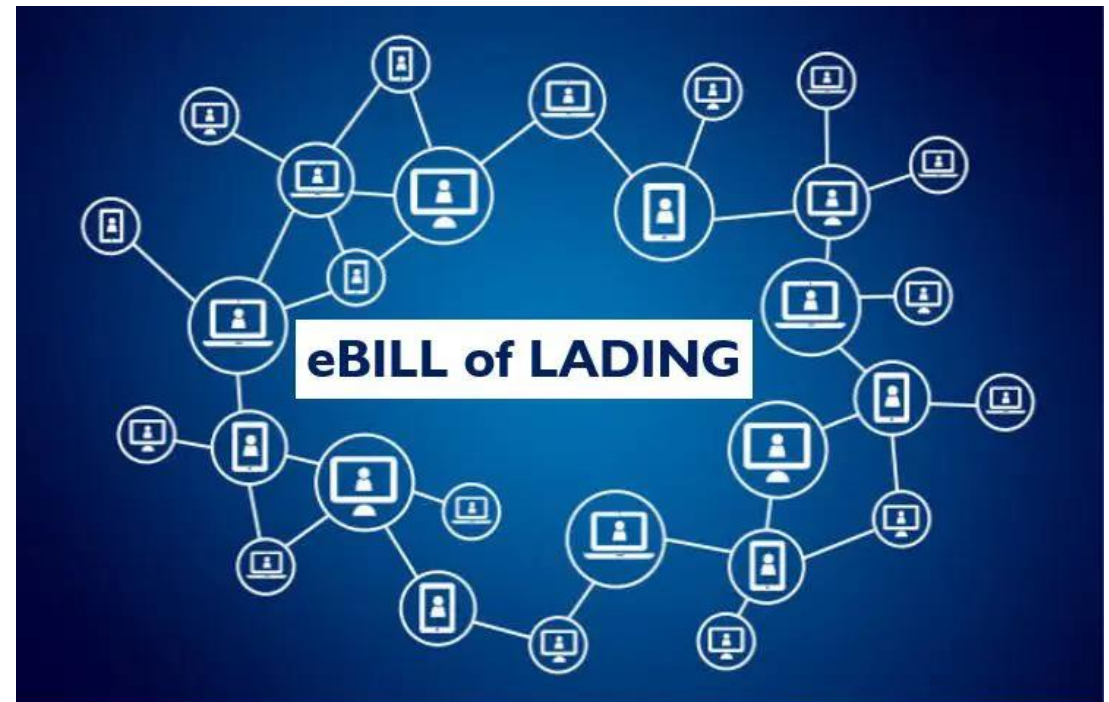
Singapore's 2021 ETA amendment adopted MLETR.

Transaction Overview:

- BHP to Jinchuan Group sale of nickel matte in containers.
- Letter of Credit facilitated by National Australia Bank and a Chinese trade finance bank.
- Cargo shipped on ONE vessel from Australia to China.

Key Highlights:

- First-ever electronic bill of lading under Singapore ETA.
- Online collaboration via Assemble Cargo Docs and Exchange Title Docs.
- End-to-end electronic documentation less than 48 hours.



[essDOCS enables first ever electronic Bill of Lading transaction under Singapore Law | ICE Digital Trade](#)



Australian Government
Simplified Trade System
Implementation Taskforce

Thank you!



www.simplifiedtrade.gov.au



www.linkedin.com/company/simplified-trade-system-implementation-taskforce/