

28 April 2008

The Secretary
Quarantine and Biosecurity Review
GPO Box 858
CANBERRA ACT 2601

Dear Sir/Madam,

Re: TRADEGATE SUBMISSION TO AQIS AND BIOSECURITY REVIEW

Tradegate Australia Limited is a not-for-profit, independent, member organisation that was established in 1989 with the purpose of providing e-commerce services for importers, exporters and their service providers to improve the efficiency of goods moving across the barrier. Members of Tradegate are drawn from importers and exporters, customs brokers and freight forwarders, shipping lines and airlines, depots, consolidators, container terminal operators and industry associations within the international trade and transport community.

Since its establishment Tradegate has developed a range of electronic commerce services that assist importers, exporters and their service providers to request and send information necessary for the efficient movement of cargo across Australia's ports and airports. Specific services include:

- Enable exporters to request EDNs from Customs;
- Enables exporters to send Pre-Receipt Advices (PRAs) to container terminal operators;
- Enable importers, customs brokers and freight forwarders to receive electronic import delivery orders from shipping lines and air freight terminal operators;
- Enable importers and customs brokers to lodge import declarations to Customs;
- Enable freight forwarders and carriers to lodge manifest information to Customs

Tradegate has read the Terms of Reference of the Quarantine and Biosecurity Review and has perused the Issues Paper released on 14 March 2008.

Because of its expertise within the information technology arena of international trade and transport, Tradegate's submission will be limited to the issue of the appropriateness, effectiveness and efficiency of systems and their alignment with risk in delivery necessary services.

Tradegate members are concerned about the IT resources and systems currently deployed by AQIS. Tradegate recognises that some work is underway to replace some existing systems e.g. ICON. However, while the Australian Customs Service has moved to almost 100 per cent electronic monitoring at the barrier, AQIS still relies heavily on various pieces of paper and manual interpretation of documentation.

This reliance on paper, whether it be a fax, a PDF, or a scanned image of a paper form, diverts necessary resources to data entry people. AQIS systems need to be substantially upgraded to enable all requests for permit, permits, declarations and certificates to be generated and received in an electronic data format. Receipt of information in electronic data format will enable automated

processing and risk profiling to quickly and efficiently determine whether a cargo consignment needs to be physically inspected.

The current heavy reliance on paper acts as a significant barrier to trade by imposing unnecessary costs on importers and exporters.

Tradegate understands that the Chinese Government issues all fumigation certificates that meet AQIS import requirements. There have been a number of incidents in the past where these certificates, upon checking by AQIS with the relevant Chinese Government authority, have been found to be bogus. The Chinese Government has requested that it be able to send electronic fumigation certificates but this has been rejected as AQIS' systems cannot currently process an electronic certificate.

Tradegate recognises the effort that AQIS has made in relation to the EXDOC system and its partial "Single Window" with the Australian Customs Service. However, much more needs to be done to upgrade AQIS systems to a state where all information required for an import or export consignment can be generated or received in an electronic data format.

Tradegate is an Associate Member of the Pan Asia E-commerce Alliance (PAA), an alliance of 11 countries in Asia representing over 50 per cent of Australia's import and export trades. Countries included in the Alliance are China, Japan, Korea, Hong Kong SAR, Macao SAR, Singapore, Malaysia, Taiwan, The Philippines, Thailand, and Australia. A number of countries have indicated they would like to receive information from Australia in an electronic data format so that it can more efficiently process import clearances. Only a handful of countries currently accept electronic phytosanitary information from Australia.

Again, the provision of information in electronic data format would assist Australia's exporters to more efficiently have their goods imported into the country of destination. Importantly, a more efficient import process would accelerate earlier payment for export cargoes.

Tradegate maintains that AQIS has an important role to play in the trade facilitation environment while being mindful of the requirements to meet the Government's Appropriate Level of Protection. In fact, we see that a more advanced information technology capability would assist AQIS to meet the ALOP while also facilitating trade.

Tradegate recognises the work of the AQIS Industry Cargo Consultative Committee (AICCC) and the Industry Working Group on Quarantine (IWGQ). In fact, Tradegate would propose that by working even more closely with industry AQIS will be able to rapidly deploy more up-to-date systems and ones that have the support of industry.

Recommendations:

- That a business objective for AQIS is to be able to send and receive all information relating to import and export consignments in an electronic data format by 2015;
- That AQIS continue to work with industry to design and develop appropriate systems to enable full electronic reporting;
- That AQIS and industry agree on the technical standards for electronic data exchange.



The undersigned is available for additional information.

Yours sincerely

PETER G BLANCHARD
Chief Executive Officer