



Submission to the Inquiry into supporting Australia's exports and attracting investment

Joint Standing Committee on Trade and Investment Growth

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Introduction

The Department of Home Affairs (Home Affairs) and the Australian Border Force (ABF) welcomes the opportunity to make a submission to the Joint Standing Committee on Trade and Investment Growth's (the Committee's) Inquiry into supporting Australia's exports and attracting investment.

This submission provides an overview of our responsibilities and initiatives in the context of the Committee's Terms of Reference (see Attachment A).

Role of the ABF

Within the Home Affairs Portfolio, the ABF is Australia's Customs Service. The ABF Commissioner is the Comptroller General of Customs. The ABF's mission is to protect Australia's border and enable legitimate trade, including air and sea cargo, and international mail.

On 1 July 2019, the ABF Commissioner announced the establishment of a Customs Group in the ABF. The Customs Group brings into the ABF from Home Affairs the functions of traveller, trade and customs related policy, and customs related compliance, with a strong focus on industry engagement.

Understanding Australian businesses' ambitions

Home Affairs and the ABF work to support Australian exporters and the important role they have in our economy through engagement in international fora in conjunction with other government agencies, including multilateral, regional and bilateral trade negotiations. The ABF works closely with other government agencies to pursue Australia's export interests.

The ABF acknowledges the need to have effective engagement with industry on shared challenges and opportunities for improvements in export business development, marketing of Australian products and services, and promotion of Government's broader trade policy agenda.

The ABF does this by maintaining regular multi-lateral engagement through the National Committee of Trade Facilitation and associated sub-committees with a range of representatives from industry and government.

The ABF engages in bi-lateral forums with peak trade and customs industry bodies, including the Export Council of Australia, Australian Chamber of Commerce and Industry, Conference of Asia Pacific Express Carriers; Freight and Trade Alliance, Australian Federation of International Forwarders, Sea, Air, Land Global Logistics, and the Customs Brokers and Freight Forwarders Council of Australia.

The ABF also hosts strategic forums such as the annual Industry Summit which is the Home Affairs Portfolio's premier industry engagement event and attracts over 450 delegates representing industry, academia, government and the diplomatic corp.

Helping Australian businesses realise their ambitions

The ABF is developing a customs and border modernisation agenda to create a future international trade ecosystem for Australia that is digital, seamless and secure. This agenda will advance Australia's economic competitiveness while ensuring the integrity of the border.

The customs and border modernisation agenda encompasses the full spectrum of customs-related functions: facilitation; compliance; and enforcement.

A multi-phased approach is anticipated that focusses on the following principles :

- enhance Australia's economic competitiveness and bring Australia's trade ecosystem in line with key trade partners and competitors;
- strengthen the facilitation of legitimate cargo and goods, while making it harder for organised crime and threats to national security to penetrate our networks;
- streamline interactions between traders, government, service providers and third parties; and
- reduce the costs of trade, and regulatory and administrative burden to both industry and government.

In support of this agenda, the ABF consulted a number of Australian exporters to determine 'pain points' in the export process. Exporters have indicated that it is difficult to understand requirements relating to border permits. More than 30 government agencies are involved in issuing permits and permissions for goods, and exporters find this difficult to navigate.

The ABF is undertaking a whole-of-government review of the enabling legislation, regulations and business processes surrounding border permits and associated licences. The review will also examine the frameworks for introducing and managing import and export prohibitions. It encompasses goods imported or exported under the *Customs (Prohibited Imports) Regulations 1956* and the *Customs (Prohibited Exports) Regulations 1958*, as well as wine, pharmaceuticals and goods subject to the Convention on International Trade in Endangered Species.

A public submission process held during March and April this year highlighted six key issues with border permits: duplication, digitisation, information, permit processes, policy frameworks and collaboration between government and industry. The ABF has been exploring these issues further with industry through a series of roundtables.

A report is due back to government in December 2019 and will recommend opportunities for:

- enabling better information sharing between border agencies to assist with removing barriers for international trade;
- effective regulatory models that would simplify, reduce government intervention, and reduce regulatory burden associated with permits for prohibited goods;
- simplifying and streamlining processes related to prohibited and licenced goods;
- effective regulatory frameworks for introducing, updating or amending import and export prohibitions; and
- effective outcome-based approaches to improve the process for evaluating import or export prohibitions.

Regulation for exports

The ABF is responsible for regulating the export of goods from Australia. Legitimate export trade is processed through the Integrated Cargo System. Exporters must declare their goods to the ABF using an export declaration, where those goods:

- have a value of more than AUD 2000; or
- are goods that require an export permit (regardless of their value).

The ABF administers the Customs (Prohibited Exports) Regulations 1958 (the PE Regulations), which prohibit the export of goods unless permission has been granted by the relevant Minister or delegate. The individual prohibitions within the PE Regulations reflect broader government policy objectives to restrict access to the goods unless certain conditions are met, such as the possession of relevant licences, and Australia's international commitments and obligations.

Exporters must include in the export declaration: a description of the goods, the correct classification, the value of the goods, and other required details regarding the consignor, consignee and transport

arrangements. Exporters and their agents are responsible for understanding their obligations and ensuring that they report export goods correctly, as set out at <https://www.abf.gov.au/help-and-support-subsite/CustomsNotices/2017-17.pdf>.

In conjunction with managing these regulatory matters, the ABF supports improved trade facilitation through the Australian Trusted Trader program and Known Consignor scheme.

Australian Trusted Trader (ATT) accredits Australian businesses that demonstrate both secure supply chains and compliant trade practices, and rewards them with trade facilitation benefits. ATT is part of an internationally recognised network of Authorised Economic Operator (AEO) programs and provides a mark of trust with customs administrations globally.

Benefits available to Trusted Traders include: simplified access to market, such as priority treatment of goods at the border, or access to Mutual Recognition Arrangements (MRA) with other economies; streamlining red tape, including duty deferral, streamlined cargo reporting, and simpler access to the Temporary Skills Shortage visa or APEC travel card; and opportunities to work in partnership with Government. An updated list of the benefits available to accredited businesses is listed at <https://www.abf.gov.au/about-us/what-we-do/trustedtrader/benefits>.

MRAs are the most valuable of the Trusted Trader benefits for accredited exporters as they reduce customs delays and improve certainty in those export markets.

The Known Consignor scheme has been introduced to help streamline the way goods are cleared for export from Australia by air.

Known Consignors must meet and maintain a high level of security to ensure cargo is safe to load on to an aircraft. They must demonstrate they have security measures and procedures in place and can secure their cargo from where it originates, until it is handed to another regulated business. These security measures depend on each individual business' export operating environment.

The scheme offers businesses an alternative way to meet air cargo security requirements instead of using a Regulated Air Cargo Agent (RACA) to examine and clear air cargo on their behalf. Regardless of destination, international outbound cargo that originates from a Known Consignor does not require further examination before uplift onto an aircraft.

Conclusion

The ABF is committed to both facilitating trade and protecting our national interests at the border. Implementation of the customs and border modernisation agenda will contribute to Australia maintaining the security and integrity of its borders while directly contributing to our economic competitiveness and prosperity. To achieve this, the ABF will continue to collaborate with industry to enable export growth and protecting the Australian community through ensuring the ongoing integrity of our border.

The ABF thanks the Committee for the opportunity to provide a submission and looks forward to their report.