

18 February 2022

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Dear Christie,

Shipping Australia's submission to the Simplified Trade System Implementation Taskforce

Shipping Australia is pleased to provide a submission to the Simplified Trade System Implementation Taskforce. Thank you for granting an extension of time to provide this submission.

A. General

1. Shipping Australia is the principal Australian peak body that represents the locally owned and the locally active ocean freight-focused shipping industry. We provide policy advice, insight, and information to just over 70 members, who, between them, employ more than 3,000 Australians. We provide policy input to Australian State, Territory and Commonwealth Government bodies. We are recognised across Australia by politicians, public service officials, national media and trade media as being the national association for Australian shipping.
2. Our membership includes Australian ports, the local arms of global shipping agents and domestic shipping agents, towage companies, the locally active arms of ocean shipping lines, and a wide variety of Australian-owned and locally operated maritime service providers. Services provided by our members include ocean freight shipping, local seaport cargo handling, domestic harbour towage, Australian marine surveying, and domestic pilotage, among other services. Our members handle nearly all Australian containerised seaborne cargo. They also handle a considerable volume of our car, and our bulk commodity trades.
3. Iconic and well-known Australian-based and Australian-owned businesses and industry associations among our membership include such names as 1-Stop Connections, Ausport Marine, the Australasian Institute of Marine Surveyors, Australian Amalgamated Terminals, the Australian Maritime College, the Australian Pilotage Group, Flinders Ports (South Australia), Fremantle Ports, Geelong Ports, NSW Ports, Patrick Terminals, Port Kembla Gateway, Port of Brisbane, Port of Newcastle, Port of Townsville, Port Phillip Sea Pilots, and the Australasian Marine Pilots Institute among others.

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4. For an overview of the current Australian maritime logistics system, Shipping Australia directs the Taskforce's attention to the Shipping Australia submission to the Productivity Commission's Vulnerable Supply Chains inquiry which can be found in the submissions page here: <https://www.pc.gov.au/inquiries/completed/supply-chains/submissions> and the direct link to the submission is here:

https://www.pc.gov.au/_data/assets/pdf_file/0006/275757/sub056-supply-chains.pdf

5. As the principal Australian peak body that represents the locally owned and the locally active ocean freight-focused shipping industry, Shipping Australia would be pleased to participate in any events, workshops, groupings, consultations, or any other meetings on this topic.

B. Reviewing red tape

6. Shipping Australia directs the Taskforce's attention to our article, "A solitary guiding philosophy for multiple 'single window' projects: "tell us once!", available on the Shipping Australia website.

<https://www.shippingaustralia.com.au/?s=three+is+the+magic+number>).

7. Although our "Tell us once!" article is written in a somewhat light-hearted and tongue-in-cheek manner, the points it makes are nonetheless serious.
8. There should be a single point of contact for ships and shipping companies to provide all relevant and necessary information.
9. Neither ships nor shipping companies – nor their agents – should then have to give the same information to different branches of the same government or related governments regardless of whether they are Federal, State, or Territory governments, or other other local governments, or other departments, agencies or any other form of emanation of the state in any form or shape whatsoever.
10. Once the information is in a central database of some description, all government parties should obtain they information they need from that database.
11. Shipping Australia notes that, currently, there appear to be three trade simplification systems being developed. One by the Federal Government (this Taskforce's Simplified Trade System), one by Transport for New South Wales (the Freight Community System) and another by the Port Authority of NSW (OnePort).
12. Recognising that these three systems may well have different purposes, aims, goals and functions, Shipping Australia is nonetheless concerned that the unilateral and disjointed efforts by various Australian governments and individual actions by local port authorities would create another set of sub-optimal and duplicative processes. This could lead to further inefficiencies and additional administrative burdens for shipping lines resulting in additional costs to end users.
13. Shipping Australia strongly encourages the Simplified Trade System to find an optimal solution so that all three systems can 'talk' to each other so that the shipping industry only has to give the same information to the authorities once.
14. Shipping Australia urges that there be a single, nationally standardised approach guided by the "tell us once" philosophy.

C. Digital transformation

15. Ocean freight shipping is a global business. Australia is fundamentally tied into this international business. About 2.6 million Australians work in global trade-related jobs; that's

1-in-5 Australian jobs¹. Exports account for about 24.1% of our gross domestic product and imports account for 21.6%². Australia's physical two-way trade in 2018-2019 was about was about 1,694.9 million tonnes (1.69 billion tonnes) of cargo by volume and \$692,858 million (\$693 billion) of cargo by value³. In 2018-2019, ocean-going ships carried 1.69 billion tonnes of cargo with a value of about \$579.2 billion⁴. **Therefore, about 99.93% by volume and 83.6% by value of all Australian freight is transported in ocean-going cargo ships.**

16. Given the importance of ocean-going trade to Australia, it is imperative to avoid creating inefficiencies and operational difficulties to Australia's trade. There are many digital transformation initiatives underway at an international level. Accordingly, it is of vital importance that all ocean-shipping-related rules and standards are aligned with the international rules and standards.
17. Shipping Australia urges the Simplified Trade System Taskforce to align Australian rules, systems, practices and guidelines with international standards. These may include, but are not limited to, rules and standards promulgated by the International Organization, the major international shipping and other advisory bodies such as the International Chamber of Shipping, BIMCO, the Comité Maritime International and the like. We also specifically direct the Taskforce's attention to the work of the Digital Container Shipping Association, a grouping of ocean-going container carriers, that was founded to establish information technology standards that would enable interoperability of technology. The purpose is to facilitate digital interconnectivity and seamless data communication. DCSA standards are developed in close conjunction with the member carriers who validate, align and agree to them. The DCSA has published a range of standards on topics such as Cyber Security, eBills of Lading, Internet of Things (various topics), Just-in-Time Port Calls, Load List and Bay Planning, Operational Vessel Schedules, Track & Trace (standards to enable cross-carrier shipment tracking). Further information on the work of the DCSA can be found under "Standards" on the DCSA website. See: <https://dcsa.org/standards/>
18. During the writing of this submission, five major international bodies that are focused on international trade or maritime shipping have set up the "Future International Trade Alliance" (FIT). They have signed a memorandum of understanding in which they will commit to collaborating to standardise the digitalisation of international trade. They, and the FIT Alliance, will work together to generate an awareness about the importance of common and interoperable data standards and common legislative conditions across international jurisdictions and platforms.

¹ "Australian trade liberalisation – analysis of the economic impacts," *The Centre for International Economics* (2017) prepared for the Australian Department of Foreign Affairs and Trade. One-in-five jobs claim – page 1. Over the 12 months ending November 2021, Australia's workforce on average totalled about 13 million people (13,013,466). A one-in-five ratio applied to 13 million people suggests that, today, about 2.6 million Australians have international-trade related jobs across a wide variety of sectors.

² Exports of goods and services % of GDP – Australia" 2019, *World Bank National Accounts Data and OECD National Accounts Data*; access via data.worldbank.org; Imports of goods and services % of GDP – Australia" 2019, *World Bank National Accounts Data and OECD National Accounts Data*; access via data.worldbank.org.

³ See "Australian Sea Freight 2018-2019" July 2021 by the Bureau of Infrastructure and Transport Research Economics (BITRE), part of the Australian Government's Department of Infrastructure, Transport, Regional Development and Communications, page iii, first paragraph, second line. The Department of Foreign Affairs and Trade's "Composition of Trade 2018-2019" (page 12, Table 1 "Australia's Trade in goods and Services Balance of Payments Basis A\$ million (current prices)" (see under "Total two-way trade" and on the line marked "Goods") which states that the value of Australia's two-way trade is \$692,858 million (i.e., \$693 billion).

⁴ We can estimate the approximate volume of sea freight simply by deducting aviation freight volumes from the total physical trade volumes as follows: 1,694.9 million tonnes minus 1.2 million tonnes equals 1,693.7 million tonnes. Air freight volumes are effectively 'hidden' in the rounding-up process. Deducting the air cargo value of \$113.65 billion from the total value of \$692.9 billion gives a sea cargo value of about \$579.20 billion.

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19. The five organisations are the Digital Container Shipping Association, BIMCO (shipping), FIATA (freight forwarding), the International Chamber of Commerce, and SWIFT (international financial payments).
 20. Shipping Australia urges the Taskforce to align its work with the DCSA, the ICS and BIMCO and with the work of the FIT Alliance.
 21. There are at least 50 international private bodies (e.g. DCSA) and there are also numerous international public bodies (e.g. IMO) that may produce such rules and standards. Shipping Australia urges the Taskforce to review these bodies and their standards and to ensure that Australian standards are aligned with international standards.
 22. Shipping Australia also directs the Taskforce to Shipping Australia's 28 July 2021 submission to Transport for NSW – Freight Section (reference SAL 21-107) on the topic of NSW's proposed freight community system. That submission can be accessed on our website under the "submissions" page and it can also be found here:
<https://www.shippingaustralia.com.au/wp-content/uploads/2021/09/SAL21-107-SAL-Submission-to-NSWs-Proposed-Freight-Community-System-28-July-2021.pdf>.

D. Measuring performance

23. Shipping Australia's latest submission to the Productivity Commission's inquiry into Australian Maritime Logistics Systems contains extended material on the measuring of Australia's trade performance and port performance metrics. The Taskforce's attention is directed to that material. At the time of writing, our submission to the PC AMLS has been issued to the Productivity Commission but has not yet been published on their website. We envisage that it will appear there in due course. The appropriate website is:
<https://www.pc.gov.au/inquiries/current/maritime-logistics/submissions..>

Submission authorised by
Melwyn Noronha
Chief Executive Officer