



Simplified Trade System (STS)

Consultation Paper response template

General

- **Tell us about your business, sector, product or service and location/s.**

Sydney Markets Limited (SML) is Australia's leading and largest wholesale fruit, vegetable, and flower market responsible for meeting the fresh produce needs of over one-third of Australia's population. SML is a critical enabler of the fresh produce supply chain in NSW and Australia. SML directly employs 75 staff and 150 contractors at its current Flemington and Haymarket sites in Sydney. SML operations support over 6,000 jobs and 20,000 growers across Australia.

SML's vision for a third Sydney Markets Precinct close to the new Western Sydney Airport, in Western Sydney is to establish a world-leading commercial ecosystem for Agribusiness. The proposed Sydney Markets Precinct will secure fresh produce supply and distribution for Sydney, NSW, and Australia for decades to come and grow Australia's export participation. Given SML's current site capacity constraints, the growing population and the increasing demand for fresh produce, the ongoing maintenance of supply chains in recent years has been a significant achievement for both SML. Without planning the future infrastructure in Western Sydney now, there is a risk that in 10-15 years' time, the fresh produce supply chain will experience major challenges in the movement of fresh produce around Sydney, NSW, Australia, ultimately impacting export capability and capacity.

- **What is your role in the end-to-end trade environment (importer, exporter, customs broker etc)?**

At its Flemington site, SML currently provides the enabling services and infrastructure to support over 2,000 regular traders onsite with 2.5 million tonnes per annum of fresh fruit and vegetables (valued at ~\$3.5 billion per annum) being traded onsite. Of this, ~60,000 tonnes of fresh produce are exported annually, accounting for ~67% of fresh produce exports from NSW.

- **What are the major pain points for your business to get your product to, from and across the border?**

The current issues that limit the export of fresh produce include:

1. **Capacity constraints to existing air-side operations at Kingsford Smith Airport**
 - Lack of specialised facilities and infrastructure for key products
 - Access constraints to airside operations for target industries

- Lost time delays and costs due to inefficient systems and processes

2. Challenges for Small to Medium Enterprise ("SME") participation in export trade

- A key reason for Australia's low export intensity compared to other OECD nations is that there simply are not enough SMEs participating in export trade.
- Key barriers currently inhibiting SME's export participation in the horticultural industry.
 - Access to export markets and building sustainable demand;
 - Managing the complexities of cross border trade including customs and quarantine requirements;
 - Domestic constraints and access to reliable, safe, secure & efficient logistics services; and
 - Access to Finance, Government support and cost-effective execution advice.

3. Export Opportunities

- We are aware that the Western Parkland City Authority examined the opportunities for increased fresh produce exports. The work analysed which products made up a large import component to Asian countries, and where Australia would be able to meet the price, quality, and counter seasonal supply.
- The study found the opportunity for an additional \$350 - \$500 million in the value of fresh fruit exports.
- The limiting factors in most target markets is not a lack of Trade Agreements, but rather the technical barriers associated with biosecurity protocol requirements. The opportunity for new protocols and systems to be developed should also be considered as part of the STS work.

• Where and how do you believe the cross-border trade system can be simplified?

The proposed third Sydney Markets Precinct adjacent to the new Western Sydney Airport provides a unique opportunity for SML, our partners and the broader agribusiness and food industry to expand existing operations and enable Australian businesses to expand and access global markets. SML see the following key considerations will be critical:

1. Seamless integration with localised logistics and broader fresh produce supply chain –

This can be thought about in three ways:

- Ensuring the land/airside infrastructure is planned and delivered in a way that seamlessly integrates with other components of the cold and fresh produce supply chain, including the provision of fast-track pathways.
- Provision of digital innovation throughout the supply chain to improve visibility, product security and integrity.
- Provision of major arterial road / transport nodes to ensure seamless integration between the Western Sydney Logistics locations, Western Sydney Airport Cargo Precinct and Kingsford Smith Airport.

2. Space – Ensuring that the availability of a dedicated fresh produce and cold supply chain 'intermodal' in Western Sydney is planned for now to enable the efficient movement of fresh produce through the land/airside interface and into the Western Sydney Airport. As part of this, consideration of how and where to best place the regulatory infrastructure should be incorporated.

3. Treatment facilities and other associated infrastructure –Confirmation on the nature, scale and location of import/export facilities proposed in land/airside infrastructure close to the new Western Sydney Airport (e.g. x-ray, treatment - fumigation and irradiation etc.) and understanding of how these facilities will integrate into existing or new supply chain process flows.

4. **Labour** – The availability of labour for the fresh produce sector, including packers to forklift operators to more highly skilled agribusiness and logistics personnel.
 5. **Flight restrictions and availability** – The integration of a digital supply chain 'platform' detailing freight capacity, availability and scheduling of flights across both Western Sydney Airport and Kingsford Smith Airport.
- **What changes in the trade process have you incorporated or seen as result of the COVID-19 pandemic that would be beneficial to continue?**

The assistance that has been provided to ensure the continued availability of cargo flights has been critical to maintaining business viability during COVID. Beyond this, the flight restrictions and availability as a result from COVID has been a particular problem. In particular, the lack of clear information on flight schedules, availability of space, and frequent flight changes has limited the development of strong markets and supply arrangements. The opportunity for this to be better co-ordinated across both the new Western Sydney Airport and Kingsford Smith Airport will be critical to maximise future export opportunities.

- **What have you seen in other countries' current trade processes that you think could be implemented in Australia?**

SML has undertaken a number of study tours to preeminent overseas wholesale and retail market and freight operations in London, Paris and the Netherlands. SML would welcome the opportunity to collaborate with STS taskforce to share key takeaways and insights from these visits.

1. Reviewing red tape

- **Which government processes or regulations could be improved (made simpler, more integrated, or less duplicative)?**

The opportunity presented by the new Western Sydney Airport is for a reimagining of how physical infrastructure, digital infrastructure, systems, and processes can be implemented thus giving Australia to lead the world in efficient and effective export and imports. In particular, this will require that the land/air side infrastructure is planned and delivered in a way that seamlessly integrates with other components of the cold and fresh produce supply chain. For example, land side cold storage facilities with dedicated hardstand entry for cold storage goods to the point of airside loading and unloading. This can then complement the broader cold stored supply chain by providing the first and last mile of the chain, noting that many industry participants will have complementary facilities (including SML's proposed facility) both up and downstream in the supply chain.

To enable seamless integration between SML's proposed facility and airfreight, there needs to be a clear understanding of the flow and processes along the cold supply chain, including the regulatory requirements and where specific infrastructure such as x-ray and phytosanitary treatment facilities (e.g., fumigation, irradiation, and temperature) will be located. How some of these operations can be carried out on sites well away from the airport with trusted operators having a 'fast-track' clearance process into the airport should be explored. Making this operational will require close examination of the regulatory protocols and processes, and how these can be amended to deliver the desired biosecurity, safety, and efficiency outcomes.

- **Which government requirements take the most time to meet and what impact does that have on your business?**

Ensuring the various import requirements are met is where the most time is lost. Whether this is the need for authorised staff, completion of documentation, or meeting disinfection protocols. For example the cold disinfection protocols to export cherries to China of a minimum of 16 days at 1 degree celsius, effectively prevent this product being exported from any state other than Tasmania. Focussed research, including how technology and IOT sensors might define Pest free Places of Production could be explored to develop a new approach to the disinfection protocol.

- **If available, please provide data on the time taken to complete these processes/regulations, and/or the costs to your business.**

2. Digital transformation

- **What tools/systems are you using to move goods across (Australia's?) borders? Do you use the systems of brokers or other third-party service providers to facilitate trade activity? If you use brokers or other third-party services, why?**
- **Which part/s of your trade processes are still using paper and/or scanned documents and attachments to emails?**
- **How old is your current technology? What is your future technology roadmap, and what is the timeframe?**

SML's digital transformation roadmap is 5 years to 2024 focussing on internal digitalisation, superior property management, trader experience onsite, and includes at the ultimate target state e-commerce online trading for traders and enabling an equally powerful online access to their traders and their products.

- **What technology changes have you incorporated or seen as a result of the COVID-19 pandemic that you would like to continue?**
- **What changes would you like to see to government systems and what impact could this have on your business?**
- **What aspects of a 'tell us once' digital service would have the biggest impact on your business and why?**

SML are engaged in projects that are examining how the provision of digital innovation throughout the supply chain can improve visibility, product security and integrity.

The integration and trusted exchange of digital data and information along the supply chain will be critical. SML and one of its member businesses Watt Exports are working with a technology company BizCubed to create use case for a digital supply chain that will show how data from the supply chain can integrate with work undertaken by the Commonwealth Government in digital systems and information exchange between countries.

Further, in thinking about a simple model of the various parts of the digital infrastructure would see Western Sydney Airport with a digital platform for their operations including freight, a Government Regulatory platform for Home Affairs and Agriculture (security and biosecurity), potentially a land/side

infrastructure with a digital platform, and SML and other operators providing a platform for their businesses and partners. All of these platforms will need to exchange information securely, meet the operational needs of their owners and allow this to be presented to overseas countries and customers in the future. Given large operators will be located at various locations within the Western Parkland City and beyond, it is critical to determine the nature and capacity of infrastructure to enable operators to plan accordingly and understand the digital infrastructure implications on their future supply chain.

3. Data

- **How can the government make information requirements clearer or less duplicative?**

We recognise this is a major challenge, given the import requirements of each country are individually determined. However, for new entrants seeking to export fresh produce the various layers associated with documentation, treatment protocols, ensuring each step is undertaken to ensure compliance and appropriate certifications provided means that initial export will be a significant challenge. Consideration as to how an interactive system that allows for the smart 'building up' of the required certifications to meet each countries requirements. Specifically how a more interactive MICOR website could be re-developed to support this approach could be explored.

- **How could government better support use of common trade-related data standards within the trade sector?**

Clarity on the API and protocols for digital documentation and data to be exchanged between countries / various jurisdictions.

- **Do you have examples of where your business has experienced increased administrative complexity, cost, or delays because government systems do not 'talk' to or share data with each other?**
- **What opportunities are there for any of your data holdings to be used in other ways to improve cross-border trade?**

Refer response to 2 above.

4. Federal, state and territory governments

- **What is currently working well in interactions across government jurisdictions that could be expanded or replicated?**
- **Which information required by federal, state or territory government is difficult or costly to obtain?**
- **Which processes or information requests are duplicated by federal, state or territory authorities and how does this impact your business?**

While not specifically, answering the above, at a higher level there is a need to ensure that 'export services' are readily available to assist current and prospective export/import businesses. In particular, helping to enable compliance with regulatory requirements and how best to deliver customs clearance to reduce lead times and bottlenecks. The engagement of key players such as SML and their member businesses; regulatory bodies such as AQIS and biosecurity inspections, laboratory testing requirements,

and import/export clearance processes; and freight forwarders should be brought together to consider how Australia can lead the world in export and import of freight and cargo.

5. Measuring performance

- **Where have you seen data used effectively across the trade environment to measure success?**
- **What data sources does your business use to measure and track its performance?**
- **Can you provide examples of metrics measuring cross-border trade?**

6. Innovation in the future trade system

- **What innovations does your business use, or plan to use, to improve the way you trade?**

Digital Trading platform – An SML branded digital trading platform providing opportunities for traders within the market to sell to buyers/customers in Australia and high potential markets across Asia and the Middle East. The digital trading platform establishes a new online channel to overseas markets, particularly in Asia where an increasing number of consumers are shopping online for groceries.

Trusted, secure and traceable supply chains - Establishing a trusted, secure and traceable supply chain to and from SML's proposed precinct in Western Sydney, will require the imbedding/adoption of the following key features within the supply chain ecosystem:

- Obtaining accreditation under relevant regulatory programs that support the delivery of enhanced security of the facilities and supply chains (77G licenses, Trusted Trader etc.)
- Imbedding of a leading practise food safety & traceability framework. This includes operational level processes and controls protocols adopted by supply chain participants that support security, trust and transparency and the introduction of relevant technologies to enhance the framework (incl. tagging technologies, analytics services, consumer interface, smart contracts, block chain etc.)

- **What innovations have you used or seen elsewhere – including those introduced in response to the COVID-19 pandemic - that would be valuable to continue?**
- **What barriers prevent you from incorporating innovation or emerging technology?**
Refer response to 2 above.