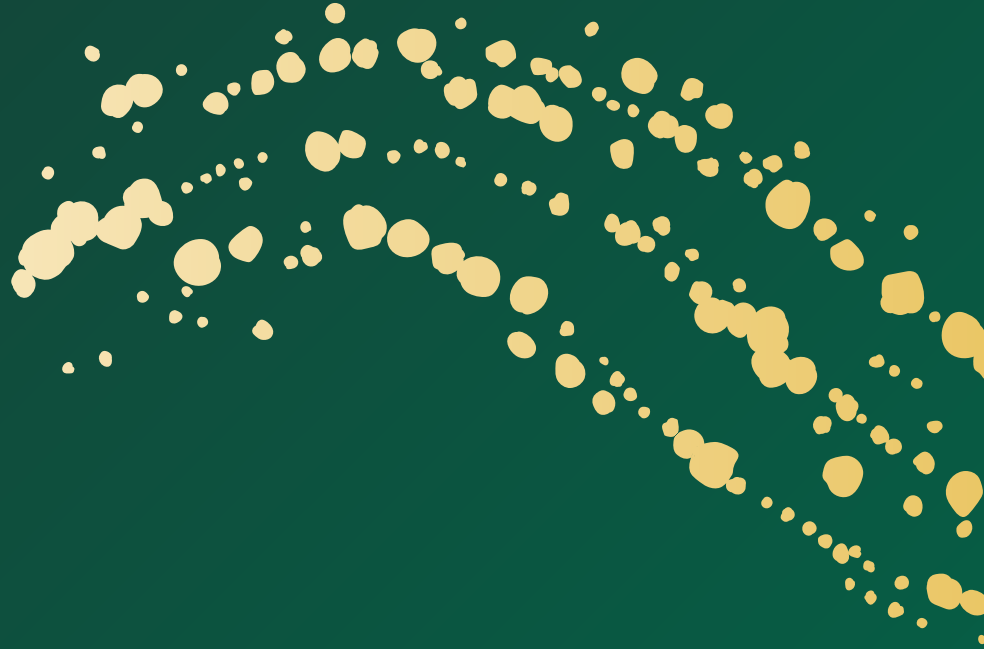




Australian Government
Simplified Trade System
Implementation Taskforce

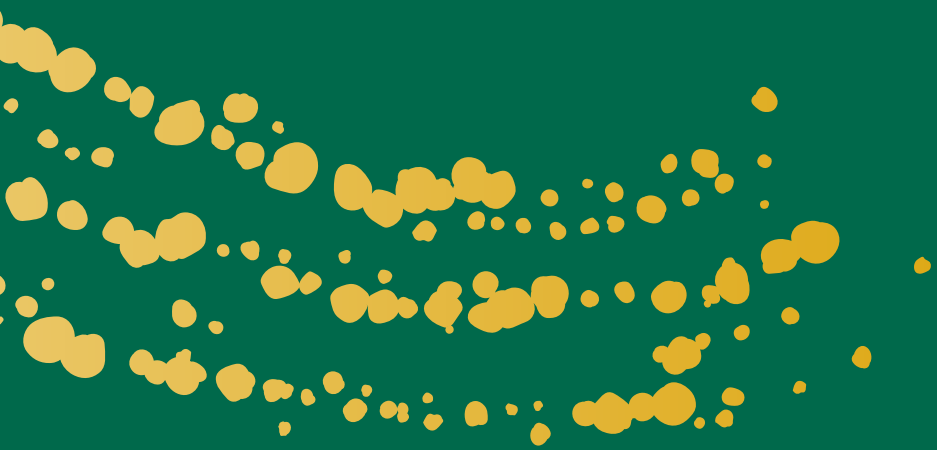


Simplified Trade System

Consultation Paper 2024

April 2024





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Simplified Trade System reforms

The Simplified Trade System (STS) reforms aim to deliver a more effective and sustainable cross-border trade environment that will ensure Australia remains a globally competitive trading nation into the future.

Australia must implement trade reforms to keep pace with its international competitors. As global trade volumes continue to grow, it is crucial we act now to ensure we have the appropriate regulations and systems in place to support Australian businesses to capitalise on the opportunities presented.

The STS Implementation Taskforce (STS Taskforce) is working in partnership with the Australian Border Force (ABF) and the Department of Agriculture, Fisheries and

Forestry (DAFF) to deliver the STS reforms, as well as consulting with other federal, state and territory agencies and international partners.

The STS reforms are designed to roll out progressive benefits for business and government. Taking an incremental approach reduces the risks associated with 'big bang' transformational change, giving businesses and government time to manage the transition. It also ensures government remains flexible and responsive as we continue to work closely with business, across government, and with international partners to draw on the best the world has to offer in terms of cross-border trade reform.

Why do we need reforms?

In 2022-23, two-way trade in goods across our border was worth \$1 trillion, equivalent to 40% of Australia's Gross Domestic Product. The border also safeguards Australians and our unique environment from border security and biosecurity risks.

The current trade environment is overseen by 32 Australian government agencies that are responsible for 145 ICT systems and over 200 cross-border trade regulations, many of which are outdated or misaligned.

This complex system has impacts on business and on Australia's ability to compete internationally. To resolve this the Australian trade system needs to be simplified, modernised, and digitised.

On average, Australia's compliance processes are more expensive and take longer to complete compared to our trading partners. Modernising our systems and processes could have significant economic benefits. With more than 142,000 importer businesses and over

47,000 exporter businesses (in 2022-23), simplifying Australia's trade environment is a proactive and necessary step that will:

- Strengthen Australia's reputation as a global leader in trade.
- Increase resilience to global border security risks and minimise supply chain disruptions.
- Reduce costs for Australian businesses who trade internationally.
- Boost local manufacturing and jobs through improved operational efficiency.

Global experience shows that regular, iterative improvements to the trade system, rather than a 'big bang' roll out, lowers risk, and delivers more regular benefits to business and government. A staged implementation also allows business and industry time to transition to the new processes and systems which also reduces implementation risk. The STS reforms are being developed in line with this approach.

Make a difference with your views

We welcome your input to shape the future of our cross-border trade environment. Whether you are a small, medium, or large business, industry association, or from academia we are keen to hear from you. We are also interested in understanding views from First Nations, gender diverse, and culturally and linguistically diverse businesses on how the government can make cross-border trade easier, simpler, and more inclusive.

Feedback will guide and deepen our areas of focus in developing reforms to deliver a simpler cross-border trade environment and identify benefits of potential reforms to businesses. It will also enable us to understand potential challenges and risks for businesses when implementing these reforms and how best to mitigate them, and shape future engagement and consultation activities.

We understand your time is valuable, so please respond to the questions most relevant to you. We welcome specific examples relevant to your business, as well as quantitative information that might help us to better understand the scale of the challenges and potential opportunities.

This round of consultation focuses on seeking views on 3 draft policy frameworks:

1. Trade Identity Policy Framework
2. Fit and Proper Person Assessments Reform
3. Border Controls Policy Framework.

The Attorney General's Department (AGD) will undertake separate consultation later this year on the Model Law on Electronic Transferrable Records (MLETR).

Privacy

The STS Taskforce will collect, handle, and disclose your personal information in accordance with our privacy policy. Collection and handling of your personal information are authorised by the *Privacy Act 1988*. A full privacy disclosure is provided as part of the survey.

More information

For more information about the Simplified Trade System Implementation Taskforce, visit <https://www.simplifiedtrade.gov.au/>

**HAVE
YOUR
SAY**

To have your say, visit:

<https://app.converlens.com/austrade/simplifiedtrade>

What we have already heard

The STS Taskforce is committed to co-design with business and has undertaken 2 previous rounds of [public consultation](#). These consultation processes sought feedback on a range of potential trade reforms. The submissions received provided a range of views around the benefits to businesses. The submissions also raised the potential challenges and risks of implementing the reforms and how these might be mitigated.



Identity

Through previous consultation, business highlighted that modernising how they identify themselves to government

is a key reform to simplify cross-border trade. Reducing the need to provide identity information multiple times is important to individuals and businesses involved with cross-border trade. Businesses also raised privacy and security of identity information and how it would be managed by government as important issues.



Regulation alignment and de-duplication

Stakeholders supported the alignment of regulations such as Fit and Proper Person

(FPP) assessments to reduce duplication and streamline processes. FPP assessments were identified as an administrative burden for business due to the varying formats, methods of completion and different requirements of each government regulator. We have also heard that regulatory frameworks and administrative infrastructure lack coordination, were unnecessarily complex and were often not fully digitised or automated.

Action: Based on feedback provided, the STS Taskforce working with partner agencies has progressed the development of a Trade Identity Policy Framework, FPP assessments reform and a Border Controls Framework, which are the subject of this public consultation process.



Paperless trade

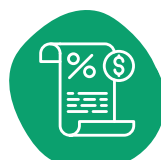
Many stakeholders also highlighted paperless trade as a priority to save them time and money. Respondents identified

that digital reforms would significantly reduce duplication, increase accessibility of information, improve efficiency, and cut

costs for both government and business.

However, they acknowledged there are several foundational reforms that underpin future digital reforms. This could include adopting the United Nations Commission on International Trade Law (UNCITRAL) MLETR to confirm the functional equivalence of certain transferable trade documents in electronic form.

Action: The government committed \$28.3 million over 4-years to support delivery of simpler and better aligned rules for cross-border trade and streamlined models for government and trade business interactions. The government is exploring options to align Commonwealth legislation with the MLETR. More information on the MLETR and upcoming consultation can be found in the last section of this paper.



Tariffs

The tariff system is overly complicated, is difficult to navigate and compliance is costly. Understanding and complying

with the many tariff processes associated with tariff classification and payments, navigating Free Trade Agreements (FTAs), the tariff concession system and exclusions to concessions (via the Excluded Goods Schedule) can impose a significant compliance burden on businesses. Several stakeholder submissions pointed to additional issues with enforcement and administration by regulatory agencies.

Action: On 11 March 2024, the government announced that from 1 July 2024, almost 500 nuisance tariffs will be abolished to boost productivity, reduce compliance costs for businesses and ease the cost of living in the biggest unilateral tariff reform in 2-decades. Treasury has sought views from interested parties on the nuisance tariffs selected for removal ahead of finalisation of the list of tariffs – visit their [website](#) for more information.

Simplified trade reform achievements

Results achieved over the past 2-years demonstrated to business that delivery of regular, incremental changes, and that are co-designed with effective consultation with business, industry and government can deliver benefits to business.

Implemented reforms

Customs Regulatory Sandbox (ABF)

Implemented: June 2023

Establishment of a Regulatory Sandbox under the *Customs Act 1901* to facilitate time-limited, controlled trials using an innovative regulatory framework to drive evidence-based reform to Australian customs legislation.

Benefits delivered: Provides an enduring capability to support policy development through testing new business models, technologies, and regulatory approaches within a controlled, safeguarded environment. Providing evidence for future, larger-scale regulatory and technology reforms, and the development of best practice regulation.

Go Global Toolkit (Austrade)

Implemented: June 2023

The Go Global Toolkit provides business with a single source of online information on how to export priority sector goods, including regulatory and border compliance requirements.

Benefits delivered: Since its successful launch in March 2021, the Go Global Toolkit has been viewed well over 650,000 times. It has delivered over 100,000 services and supported more than 265,000 users to find new markets and opportunities for their products. By bringing information together and aligning it to the exporter journey, businesses that use the Go Global Toolkit save between 1,330 to 2,840 hours of time, compared to businesses that do not use the Toolkit.

Biosecurity Portal (DAFF)

Implemented: June 2023

The Biosecurity Portal gives import clients the ability to make and manage inspection booking requests, view direction information and lodge Approved Arrangement Class 14.4 inspection outcomes 24/7 via an online system.

Benefits delivered: More than 90% of all inspection requests are now going through the portal. Users can view and change direction information and lodge Approved Arrangement Class 14.4 inspection outcomes 24/7 online.

Integrated Cargo System (ICS) Real-Time Notifications (ABF)

Implemented: June 2023

Establishment of a Real Time Notification function for industry ICS system degradation and outages. Enabled through client self-registration and providing SMS and/or email customer notification functionality.

Benefits delivered: Industry users benefit by increased certainty, reducing administrative costs and allowing them to save time and money in managing their affairs during a planned or unplanned ICS outage or incident.

Reforms underway

Cross-border Trade Data Sharing Framework (STS Taskforce)

Expected: 2024

Policy framework developed with agencies and business to standardise and share cross-border trade data between agencies by default to enable future simplification of cross-border trade processes.

Foundations to enable the single trade environment (ABF)

Expected: 2024

Work is underway to modernise the Integrated Cargo System (ICS). This includes updating some of the current data interchanges between government and business, improving ICS user interfaces, and piloting the use of myGovID to access the ICS.

Legislative amendments to Customs legislation (ABF)

Expected: 2024

The government will propose legislative amendments to the *Customs Act 1901* and the *Customs Licensing Charges Act 1997* to modernise and strengthen the customs licencing regime and digitise the claims process for the return of seized goods. It will also reduce administrative burdens via streamlined processes for compliance with certain obligations under customs legislation. Implementation is subject to parliamentary processes.

Agricultural traceability and credentials ‘ecosystem’ (DAFF)

Expected: 2025

Work to harmonise traceability standards and data is underway. DAFF is delivering industry grants that support different sectors to expand their traceability capabilities.

Digital Verification Platform (DVP) (ABF)

Expected: 2025

This initiative will enable the creation and verification of digital trade documents. ABF is delivering the technical platform and planning international trials. A successful proof-of-concept using electronic Certificates of Origin was completed by the ABF in December 2020. Under the current funding, the DVP is being upgraded to operational quality, to digitalise high-volume priority trade documents that are currently paper based.

Simplified Targeting and Enhanced Processing System (STEPS) (DAFF)

Expected: 2026

The STEPS initiative will make cargo clearance faster, simpler and support biosecurity management. Benefits to business include helping to minimise delays and costs at the border by making systems more efficient and reduce congestion at the border. Delivery is underway including digitising manual processes and documentation.

Digital services to Take Farmers to Markets (DAFF)

Expected: 2027

This initiative provides streamlined and digital agriculture export services. Benefits to business include greater transparency to businesses to inform decisions, reducing the average time it takes for products to get to export markets, and cutting processing times by up to 98%. Delivery is underway, with benefits to date including an exporter self-service for permits and digital certificates to the European Union.

Model Law on Electronic Transferable Records (AGD)

Expected: 2027

Exploring options to align Commonwealth legislation with the MLETR to support the transition to paperless trade. Led by the AGD, this reform will enable businesses to use electronic versions of certain key trade documents.

Streamlining the cargo intervention model (SCIM) (ABF)

Expected: 2027

Co-designing, testing, and evaluating key components of new intervention models through real time trials in the sea cargo environment and developing automated threat detection prototypes. This work led by ABF, and leveraging DAFF air cargo supply chain trials, is providing data to inform evidence-based cargo inspection decision making by Border Force Officers. SCIM will reduce inspection times and supply chain delays for legitimate traders by up to 90% of current levels and lift ABF cargo intervention capability.



Policy frameworks

The following frameworks are the foundations to develop and implement trade reforms across government. They set a consistent approach for the way government agencies interact to deliver benefits to business. The frameworks operate within existing legislation. There will be further consultation where legislative change is required.

The consultation focuses on seeking views on these draft frameworks:

- Trade Identity Policy Framework
- Fit and Proper Person Assessments Reform
- Border Controls Policy Framework

Trade Identity Policy Framework

The STS Taskforce, in partnership with key cross-border trade agencies including ABF and DAFF, is developing a Trade Identity Policy Framework. It will provide policy guidance to drive greater effectiveness for government in facilitating legitimate trade and protecting Australia's border. It will also help relevant state, territory, and international governments, as well as trade participants to understand the future direction for Australian trade identity.

What we have heard

During 2022 and 2023, we asked businesses and trade agencies about the pain points

associated with current identity management processes in cross-border trade.

Businesses highlighted digital identification as a key reform to simplify cross-border trade identification and improve efficiency through reducing the need to prove who they are multiple times. They also raised the need for government to manage their identity information securely, and in line with privacy legislation. It was suggested that the adoption of data standards and developing mutual recognition frameworks with international trading partners was important in building streamlined identity processes.

Framework Principles

The framework principles (see box 1) provide the foundation and ongoing guidance for reforms such as ABF's Foundations to enable the single trade environment and DAFF's *Digital services to take Farmers to Markets*. They will also support development of future policies, processes, and systems and alignment to the government's new *Digital ID Bill 2024*.

Box 1: Trade Identity Policy Framework Principles



Convenient – Trade identity processes and solutions are convenient, accessible and easy to use. Participants only need to 'tell us once' their identity information.



Secure – A whole-of-trade approach to identity management ensures trade participants' data is secure and protected through security and privacy controls.



Inclusive – All trade participants requiring a trade identity, credential or accreditation can apply for this through a common and consistent process to support inclusive trade.



Voluntary – Digital and non-digital pathways will be available to access government trade services.



Optimised – Trade identity requirements, policies and processes are optimised to facilitate legitimate trade, protect Australia's borders, and are fit for the unique needs of a cross-border trade environment.



Proportionate – A whole-of-trade approach to identity processes and solutions considers the complexity and nuance of the cross-border trade environment, the different variables that influence risk, and appropriately scale the level of identity information required from entities.



Connected – Harmonised and streamlined whole-of-government trade identity processes and solutions enable a more connected view of trade participants, including their entity relationships, relationship to goods and consignments, and trade transactions, across the cross-border trade environment.



Interoperable – Identity processes, policies and solutions are designed to be integrated and interoperable across multiple platforms, services, governments, industry and trading partners, supporting mutual recognition and improved border efficiencies.

Next steps

This policy framework guides current reforms and sets the foundation for future regulatory, process and digital reform that will directly impact the experiences of business identifying themselves to government when conducting trade.

This framework may assist with the design and implementation of reforms relating to identity which will continue to be co-designed and consulted with stakeholders ahead of any changes.

HAVE YOUR SAY

We are seeking feedback from businesses on the framework principles and any other issues to support government designing and implementing reforms relating to identity.

Question 1

Please quantify, in time or money, how current identity processes are impacting your business and factors (if any) impacting your adoption of new identity capabilities.

Question 2

How would the proposed principles for trade identity improve the efficiency or effectiveness of cross-border trade for your business?

Question 3

How might the proposed principles better address the identity-related issues you may have experienced in conducting cross-border trade?

Question 4

What factors would your business consider in adopting any new identity capabilities, such as digital identification?

Question 5

What are your expectations for improvements to the way trade identity information is collected and managed?

Question 6

What examples of identity-related innovations in other sectors or countries should Australia consider?

To have your say, visit: <https://app.converlens.com/austrade/simplifiedtrade>

Fit and Proper Person Assessments Reform

Fit and proper person (FPP) assessments are regulatory tools designed to assess an individual's or business's suitability and or competency to perform a certain action. In the trade environment, FPP assessments apply to licensing of brokers, depots and warehouses, approved arrangements, and some permit processes.

FPP assessments serve as an initial filter with the objective of preventing people who are not considered fit and proper from working in trusted or high-risk roles in the trade environment. The assessment process is intended to treat the following:

- Risk of organised crime or criminals in the trade system or other insider threats including fraud-related offences and convictions against agency-specific legislation, Commonwealth, state, and territory laws.
- Risk to revenue through checking for unpaid debt to the Australian Government, bankruptcies, or other relevant financial compliance history.
- Reputational risk, particularly in relation to the reputation and integrity of Australian exports.
- Other risks that are specific to the agency and program.

What we have heard

In June 2023, we asked cross-border trade businesses for feedback on:

- their experience of the levels of administrative burdens placed on their business to satisfy FPP assessments.
- digital or other opportunities to streamline the collection of all FPP information and if this would enable the integration of future monitoring requirements for business fraud and risk management processes.
- their support of FPP assessment information being shared between agencies and if there were any concerns or risks to be mitigated.

There was clear support to align the FPP assessment core criteria to reduce duplication and streamline processes. FPP assessments were identified as an administrative burden for business due to the varying formats, methods of completion and different requirements of each government agency.

The Taskforce has received views that business is keen for supporting technology that will provide greater efficiencies in the FPP assessment process. The proposed framework is the first step to simplify and align processes across agencies.

Aligning assessments

There are 18 assessments with 71 administrative decision points across 4 legislative acts (*Customs Act 1901, Biosecurity Act 2015, Excise Act 1901 and Export Control Act 2020*) and 3 government agencies (DAFF, Australian Tax Office (ATO) and Home Affairs).

During the financial year 2022-23, more than 6,000 FPP total assessments were conducted by ABF, ATO and DAFF. Applicants were required to provide similar FPP information for each assessment and decision point. For example, a single business involved in exporting may be required to provide the similar information multiple times in differing formats to be granted a warehouse license with ABF, an excise license with ATO and an export license with DAFF.

The framework aligns FPP assessments between Home Affairs, DAFF and ATO for relevant cross-border regulatory schemes. The assessment would involve considering:

- Criminal history – including whether the person has been convicted of an offence against, or ordered to pay a pecuniary penalty, for a criminal offence under any applicable Australian or foreign law; and/or
- Intelligence – including intelligence on an associate who has an identifiable link to the applicant; and/or
- Compliance history (beyond convictions) up to four years (including penalties imposed by agencies for administrative or civil offences); and/or
- A financial check which may consider:
 - current or previous instances of bankruptcy or insolvency
 - current or previous debts to the Commonwealth (not including penalties imposed by agencies); and/or
- Supplementary checks specific to the policy of each agency, for example the 'Right to Work check'.

Subject to the outcomes of consultation, the government would consider options to align FPP related information and support sharing of data between agencies.

Framework Principles

FPP assessments would comply with the following draft principles:

Box 2: Fit and proper person (FPP) Assessments Reform Principles



FPP assessments **mitigate risks** applicable to the schemes to which applicants are seeking entry.



FPP assessments are **proportionate to the risks being treated** and avoid being unnecessarily complex or restrictive.



Supplementary checks can be applied where there is an evidenced risk to meet specific regulatory objectives, and only when the risk is not covered by core criteria.



The FPP assessment process limits **burden to industry**. Burden placed on industry will be decreased where possible, while still upholding high standards.



The FPP assessment process for applicants is **simple, easy and streamlined**. It should use the **'tell us once' principle**, meaning where supportive technology exists, applicants should provide information once.



There is **transparency** in the FPP assessment process. Industry will be advised of the application processes and agencies will provide reasons for adverse decisions where permitted.



The agencies **share information submitted by applicants** for FPP assessments to increase efficiency of the FPP process. Information sharing must be lawful, access must be controlled, and information collected should be reliable and standardised.



Agencies retain autonomy and control over their own FPP decisions and decision-making processes.



Decisions are evidence-based and reviewable.



Applicants are required to update an agency of **changes in circumstances**.

Next steps

This policy framework can help guide the experiences of business identifying themselves to government when conducting trade.

Both the framework, and any reforms relating to it, would continue to be co-designed and consulted with stakeholders ahead of any changes.

HAVE YOUR SAY

We are seeking feedback from businesses on the framework principles.

Question 7

How would the draft principles for reform to FPP assessments change your process to apply for cross-border trade related licenses and accreditations, including time and money savings?

Question 8

Are there risks or opportunities that you would see from agencies sharing information to adopt a 'tell us once' approach for FPP assessments?

Question 9

Could you share any specific issues that you believe are not adequately addressed and how they will impact the overall effectiveness of FPP assessments?

Question 10

How many FPP assessments do you or individuals in your business need to undergo each year?

Question 11

How do the frequency and the volume of assessments impact your operations and resources?

To have your say, visit: <https://app.converlens.com/austrade/simplifiedtrade>

Border Controls Policy Framework

The ABF, in partnership with the STS Taskforce and DAFF, are leading a reform of regulatory processes around border controls (like border permits) through the development of a Border Controls Policy Framework. This will provide government with a consistent approach to creating, reviewing, and administering border controls that is scalable, targeted and proportionate to the identified risks related to the movement of certain prohibited, restricted, and regulated goods across the Australian border.

The framework is designed to reduce inconsistent or duplicative requirements and inefficiencies in border control processes that create unnecessary administrative burden on business, industry, and government. The framework will support establishing best practice across government by providing practical principles and considerations for government to determine the suitability of border controls to achieve policy and regulatory objectives.

What are border controls?

Border controls are measures initiated by government agencies to prohibit, restrict, regulate, or monitor the movement of certain goods across the Australian border, based on the risk those goods pose to Australia's safety, security, and international reputation.

In this context they do not include trade related controls on individuals, organisations, and premises, such as licences issued for border intermediaries, revenue-based controls on the import or export of goods; or certificates of origin for goods used for claiming preferential treatment under relevant free trade agreements.

This is a foundational step towards simplifying trade for trade participants that import or export regulated goods to or from Australia. The focus is on regulatory reform and the establishment of clear policy and guidance. It

also provides a foundation for further reform work, such as future development of supportive technology and a single source of truth on permit information.

What we have heard

In June 2023, we asked stakeholders:

- to identify border controls that have a high regulatory burden and that can be streamlined.
- how many border controls businesses typically interact with and the impact on businesses?

Stakeholders advised that the regulatory framework and administrative infrastructure sometimes lacked coordination, was unnecessarily complex and was often not fully digitised or automated. Agencies with digital systems would use different systems that did not communicate effectively with one another. Stakeholders provided feedback that the government could reduce duplication, increase transparency, and reduce risks related to imports and exports.

The development of the framework and the work that underpins this reform has also been supported and informed by the comprehensive **Border Permits Review** undertaken by the ABF in 2019. While the scope and focus of that piece was narrower than the Framework, the insights and views of business and industry were captured and considered for the development of this policy work.

Framework Principles

When proposing or reviewing a border control as part of an overall action plan or national strategy, the agency responsible for developing the policy for the control ('policy owner') will engage with the relevant border enforcement agency (for example, ABF or DAFF) to co-design the border control, ensuring that it adheres to the following draft principles (see box 3).

Box 3: Border Controls Policy Framework Principles



Engaged – the right people have been engaged in the design of the control and communication lines have been open throughout the process.



Scalable – the control can adapt to address evolving risks.



Defined – the purpose of the control is clear, and the subject goods clearly identified.



Enforceable – the control is reasonably practicable to enforce and will deliver on the policy intent.



Modern – the control is compatible with modern and digital trade processes.



Appropriate to risk – the control is warranted and proportionate to the risk it is intended to mitigate.



Economically feasible – the control does not impose undue regulatory burden or cost on either government or industry.



Compliant with international rules and conventions – the control is consistent with Australia's international obligations and commitments.

Next steps

This policy framework is a foundation for future process reform and technology that will directly improve the experiences of industry interacting with government.

Each border enforcement agency will develop their own supporting frameworks and processes to implement the principles outlined in this framework. This recognises that each agency may already have processes that are consistent with the principles.

HAVE YOUR SAY

We are seeking feedback from businesses on the framework principles.

Question 12

Please quantify, in time or money, how current border control compliance processes impact your business.

Question 13

How would implementation of these draft principles affect the effectiveness and efficiency of trade border controls relevant to your business or sector?

Question 14

Could you share any specific issues that you believe are not adequately addressed by the Framework principles?

To have your say, visit: <https://app.converlens.com/austrade/simplifiedtrade>



Model Law on Electronic Transferable Records (MLETR)

The government has committed to explore options to implement the United Nations Commission on International Trade Law (UNCITRAL) MLETR that will enable paperless trade.

UNCITRAL developed the MLETR to provide the international community with a baseline framework to give electronic transferable records the same legal standing as equivalent paper-based records in the context of trade.

The MLETR will support businesses to use electronic transferable records which are functionally equivalent to paper-based transferable instruments typically used in trade, such as bills of lading, bills of exchange, promissory notes, and warehouse receipts. More information about the MLETR is available on the [UNCITRAL website](#).

Exploring options to enable the use of electronic transferable records is an important step in the move towards paperless trade. Fully realising the benefits of paperless trade will require looking at other paper-based trade processes and working in collaboration with international partners. There are lessons to be learned from the experiences of some of our key trading partners that have already adopted MLETR-aligned legislation, including Singapore and the United Kingdom.

What we have heard

We have previously raised the topic of paperless trade when considering how Australia could create simpler rules around trade. We introduced the MLETR and asked stakeholders for feedback on:

- their experience with paper-based and electronic records generally.
- the volume of paper-based documents transferred per year during cross-border trade and the time taken to process them.
- approaches other than the MLETR to supporting the digitalisation of trade and transfer of electronic records.

- factors relevant to the government's consideration in adopting the MLETR in Australia.

Stakeholders highlighted paperless trade generally as a priority for improving efficiencies and reducing costs. Overall, we heard that business and industry support the adoption of MLETR and its relevance to electronic transferable records.

According to the Asian Development Bank as cited in the ANZ submission to STS, paper-based documentary transactions such as Letters of Credit account for approximately 50-60% of businesses' operational costs. One of Australia's largest dairy exporters estimated they spend \$2.77 million annually sending paper-based trade documents around the world.

Based on feedback, there are several relevant considerations for adopting the MLETR, including:

- harmonisation with current domestic laws governing electronic transactions, digital signatures, and transferable documents to provide legal clarity and consistency.
- ensuring any new or amended legislation complies with Australia's international obligations and commitments.
- consideration of interoperability with trading partners' legal frameworks.

Upcoming consultations

The AGD is responsible for the Commonwealth's existing electronic transactions legislative framework (including the Commonwealth *Electronic Transactions Act 1999*) and is leading the work to explore options aligned with the MLETR.

AGD is planning to undertake separate consultation in 2024, including with business and industry. We encourage stakeholders to provide early feedback or suggestions on the MLETR at: MLETR@ag.gov.au

Get involved

Business experience is at the centre of the STS reforms. To ensure that a modern cross border trade environment meets the needs of stakeholders, reforms are being co-designed with Australian businesses.

We will continue to engage with business through existing government forums, workshops, roundtables, conferences, direct meetings with businesses, and seek views through targeted consultation. Information on upcoming events and outcomes will be published on the STS website.

For more information

- Visit www.simplifiedtrade.gov.au
- Email info@simplifiedtrade.gov.au
- LinkedIn: www.linkedin.com/company/simplified-trade-system-implementation-taskforce

You can find further information about the STS reforms via:

- [STS consultation paper 2023 summary](#)
- [STS progress and opportunities report](#)

