



Australian
Logistics
Council

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Overview

International Transport today is much more complex than it was 10 years ago

Transport Defined

- Hard assets - being the Aircraft, Ships, Trucks and Rail that physically deliver the goods
- Soft assets - being the people, technology, consultants, bureaucracies (such as customs and tax), that are involved in the door to door transport of traded goods

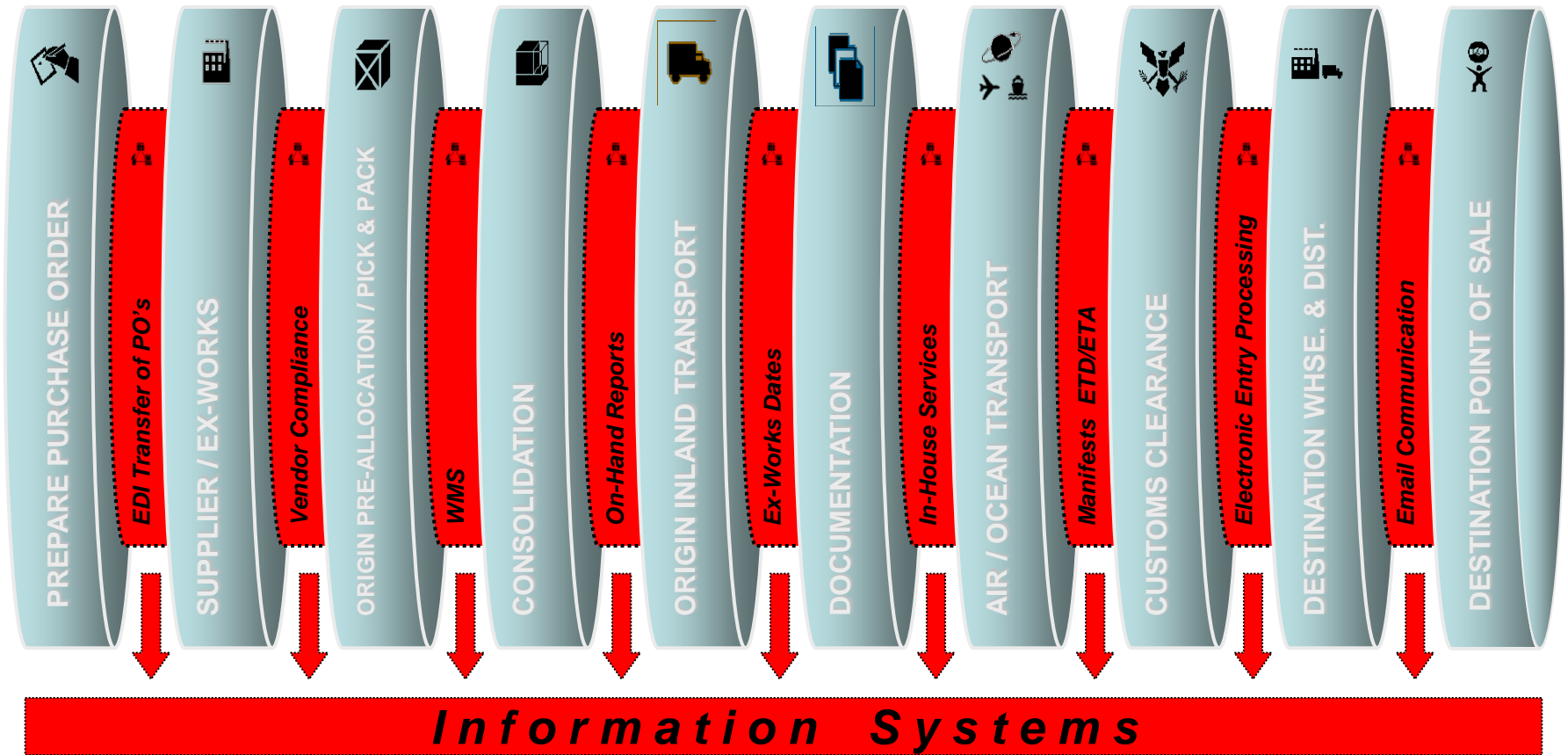
Transport Cost

- Transport represents somewhere between 8% and 12% of GDP in most economies
- From buyer's perspective transport/distribution represents approx 30% of the end selling price of the goods
- 70% of global trade is with 30% of global traders

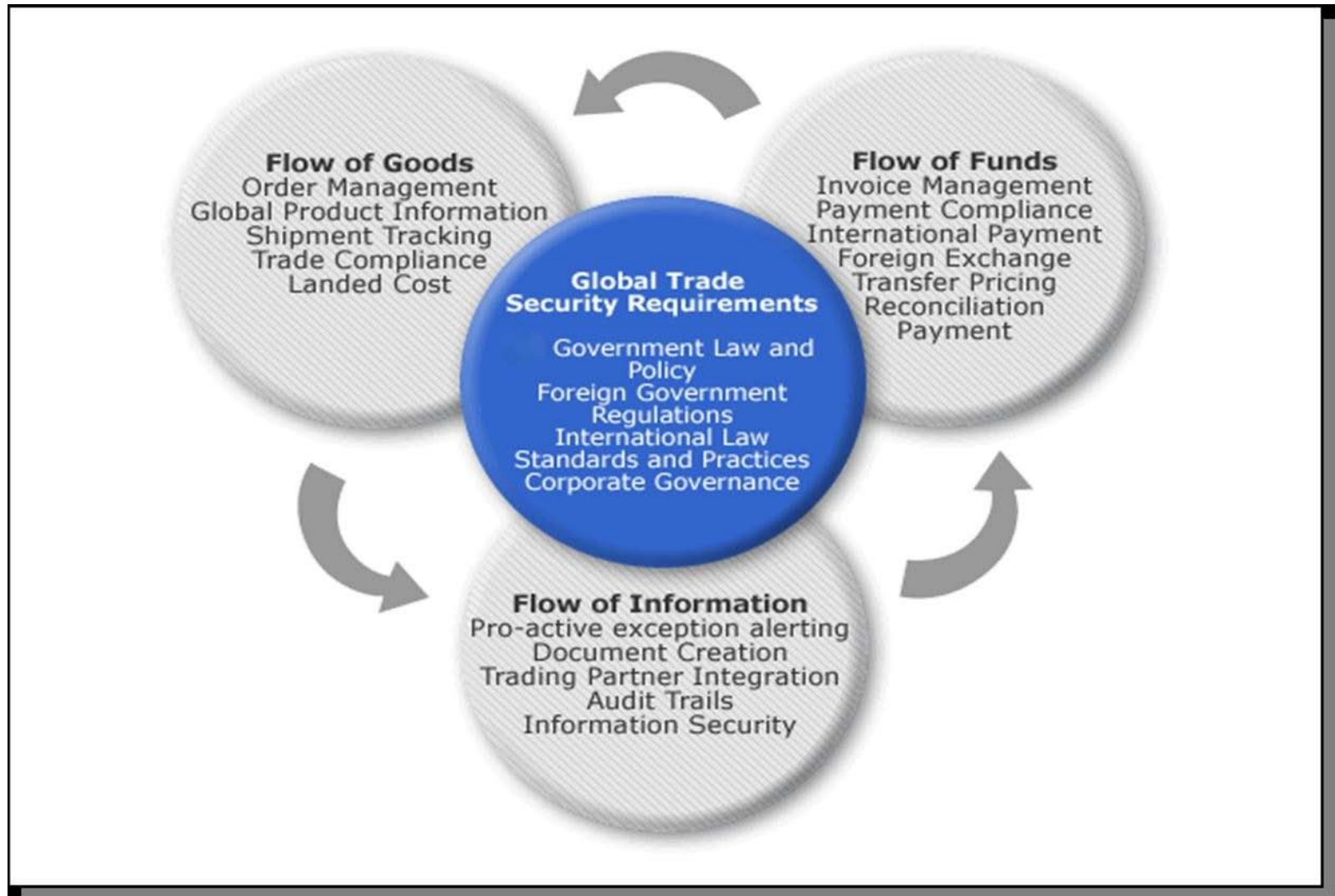
The Fragmented Supply Chain



Global Supply Chain Management



Global Security Requirements



WCO Framework of Standards

Integrated Supply Chain Management



PARTNERSHIP WITH TRADE

CO-OPERATION

INFORMATION TECHNOLOGY

AUTHORIZED ECONOMIC OPERATOR

MAA

CUSTOMS DATA MODEL

SINGLE SUBMISSION

KEY = UCR

MUTUAL RECOGNITION

APPLY THE FRAMEWORK OF STANDARDS TO THE WHOLE SUPPLY CHAIN

SELECTIVITY

EXPORT



IMPORT

UCR

KYOTO CONVENTION

SINGLE WINDOW

RISK MANAGEMENT

ORIGIN-DESTINATION

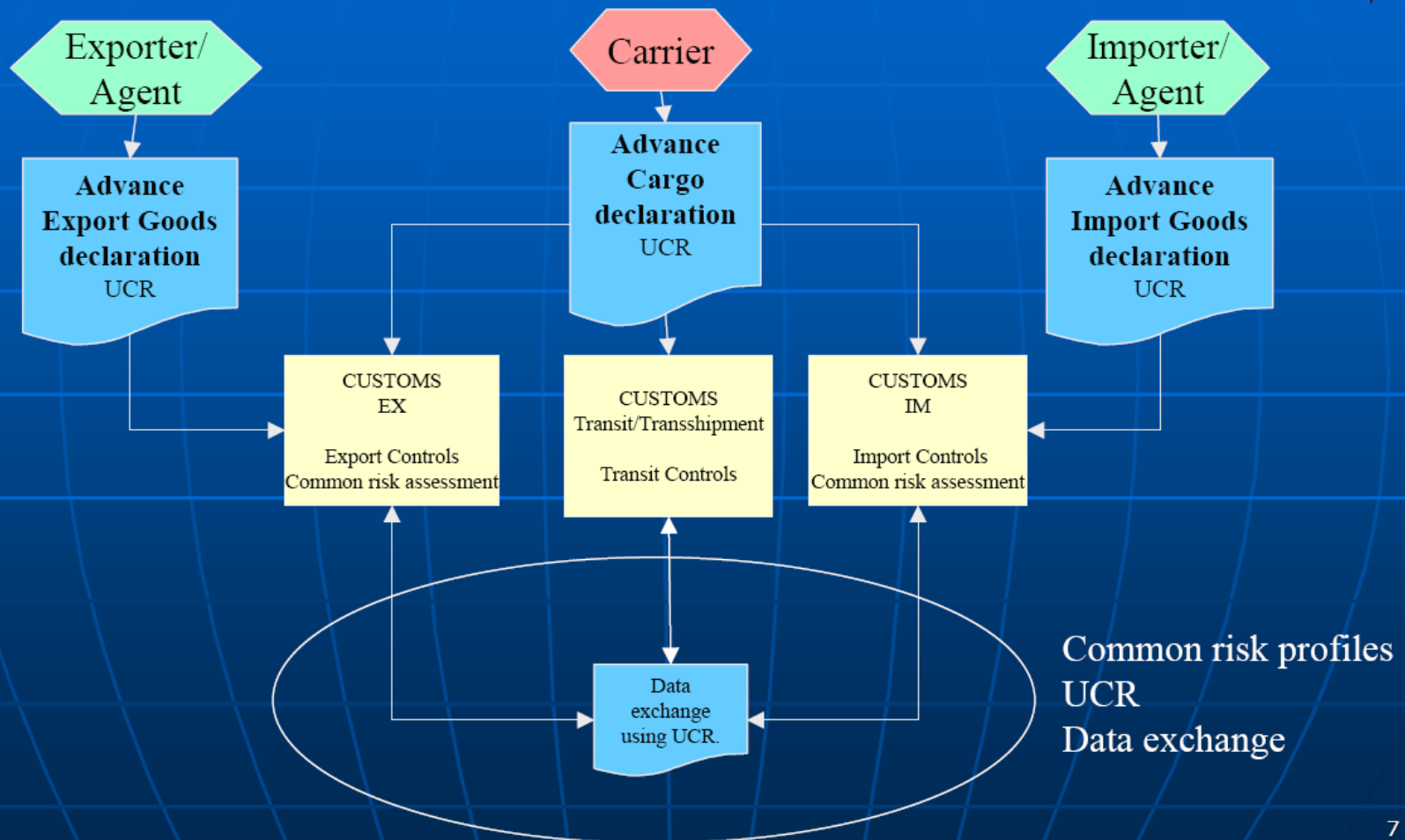
ADVANCE INFORMATION

KEY = UCR

SHARING INFORMATION

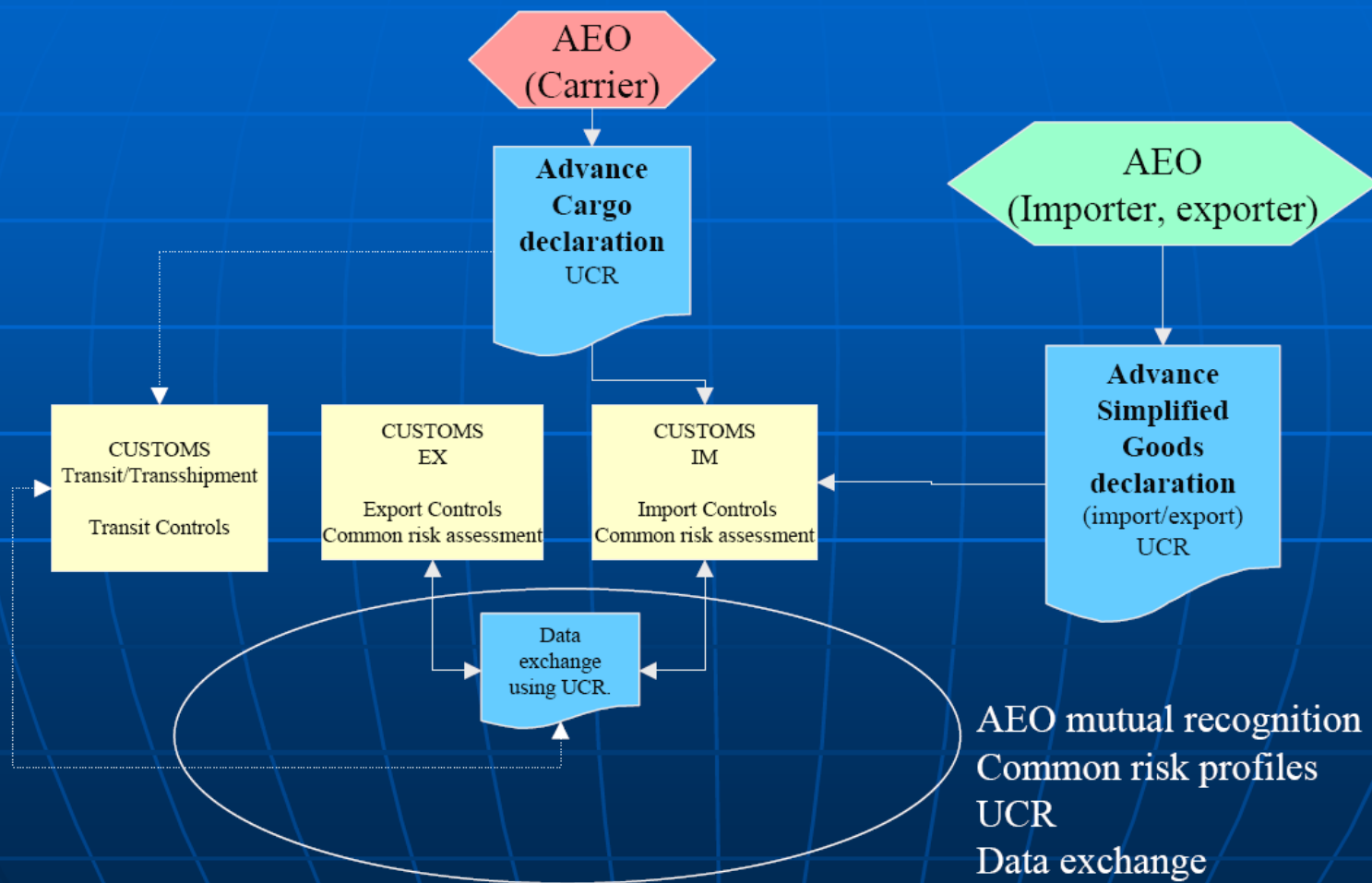
WCO Framework of Standards

Integrated control procedure

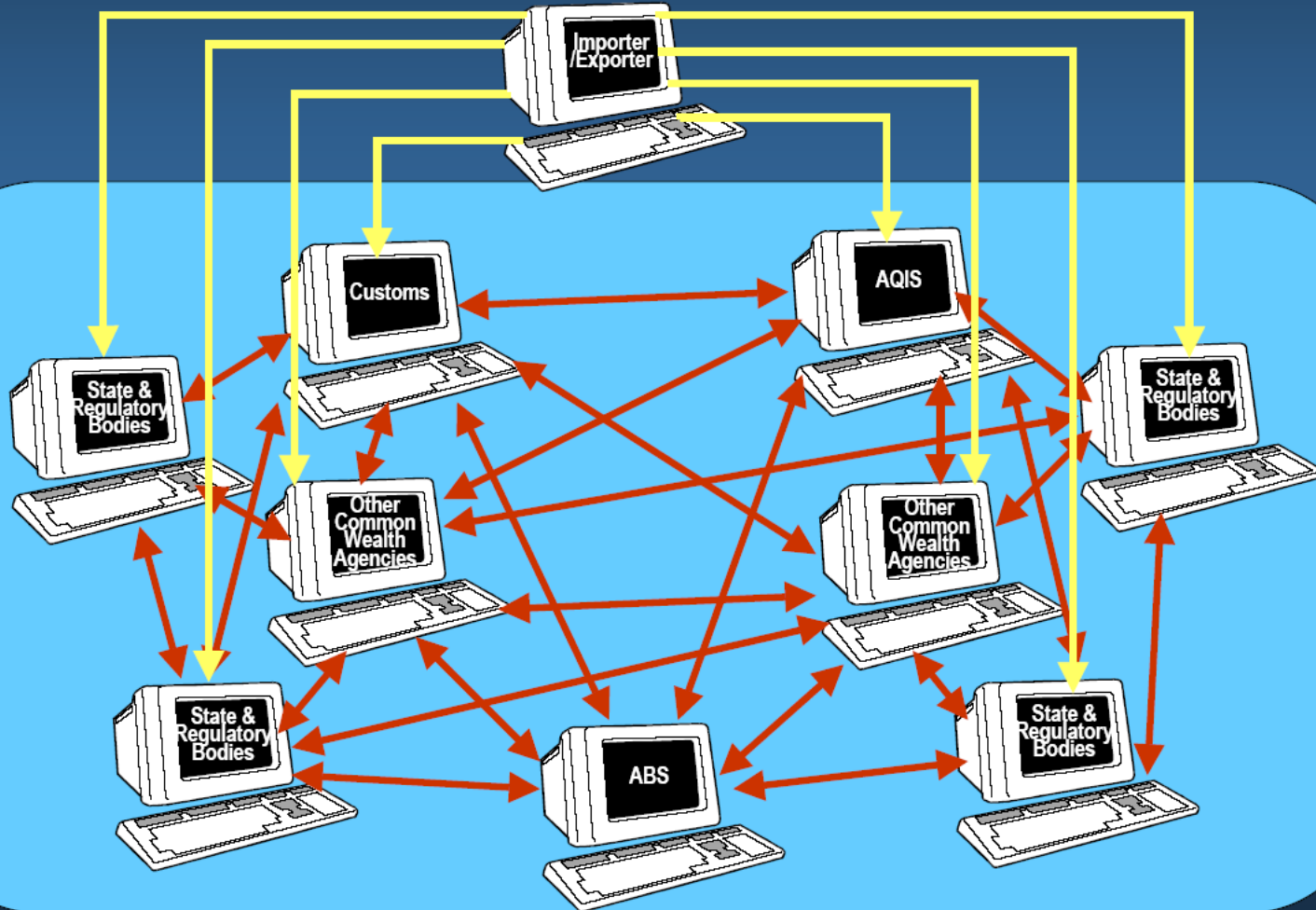


WCO Framework of Standards

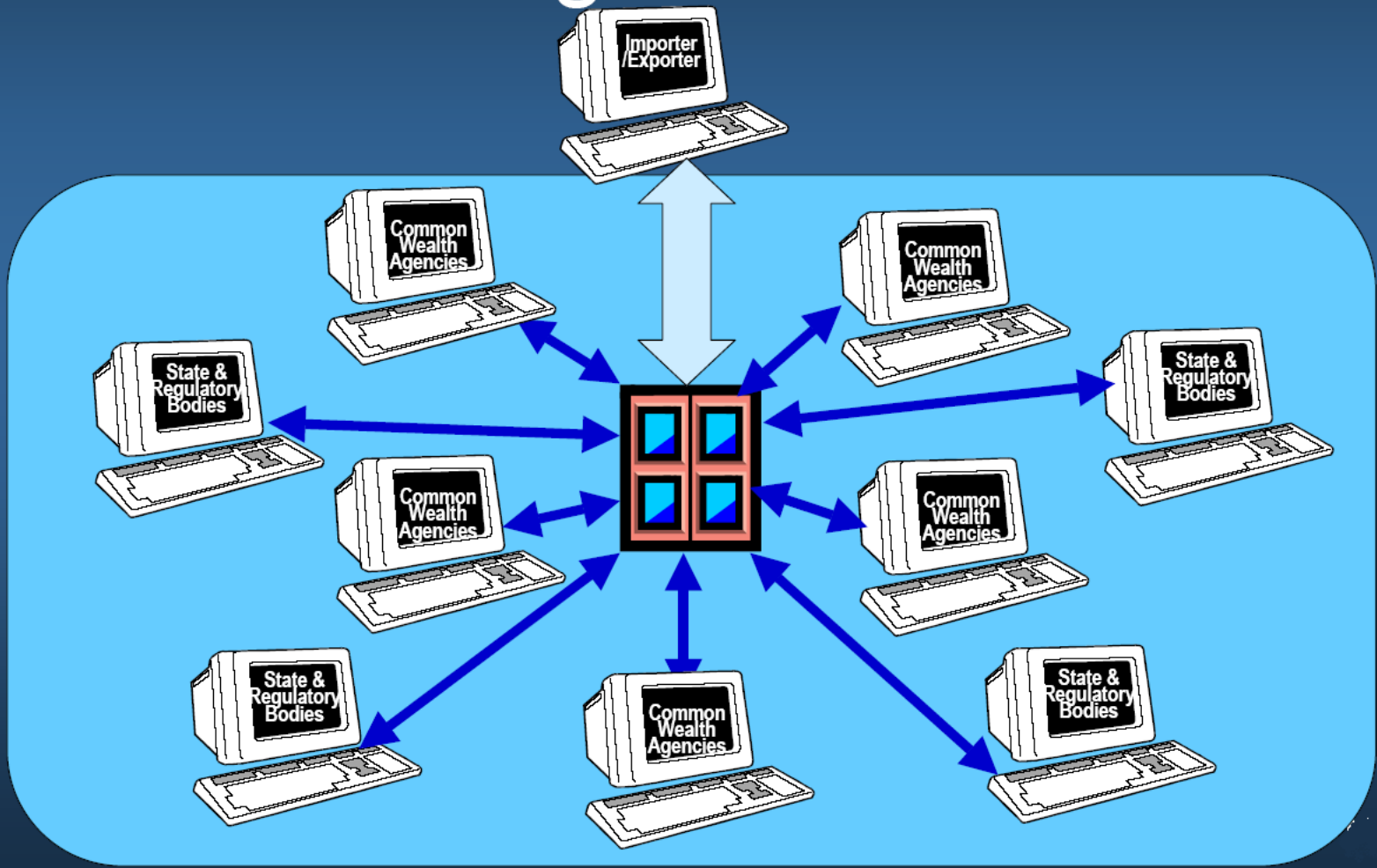
Authorized Supply Chain



Current State

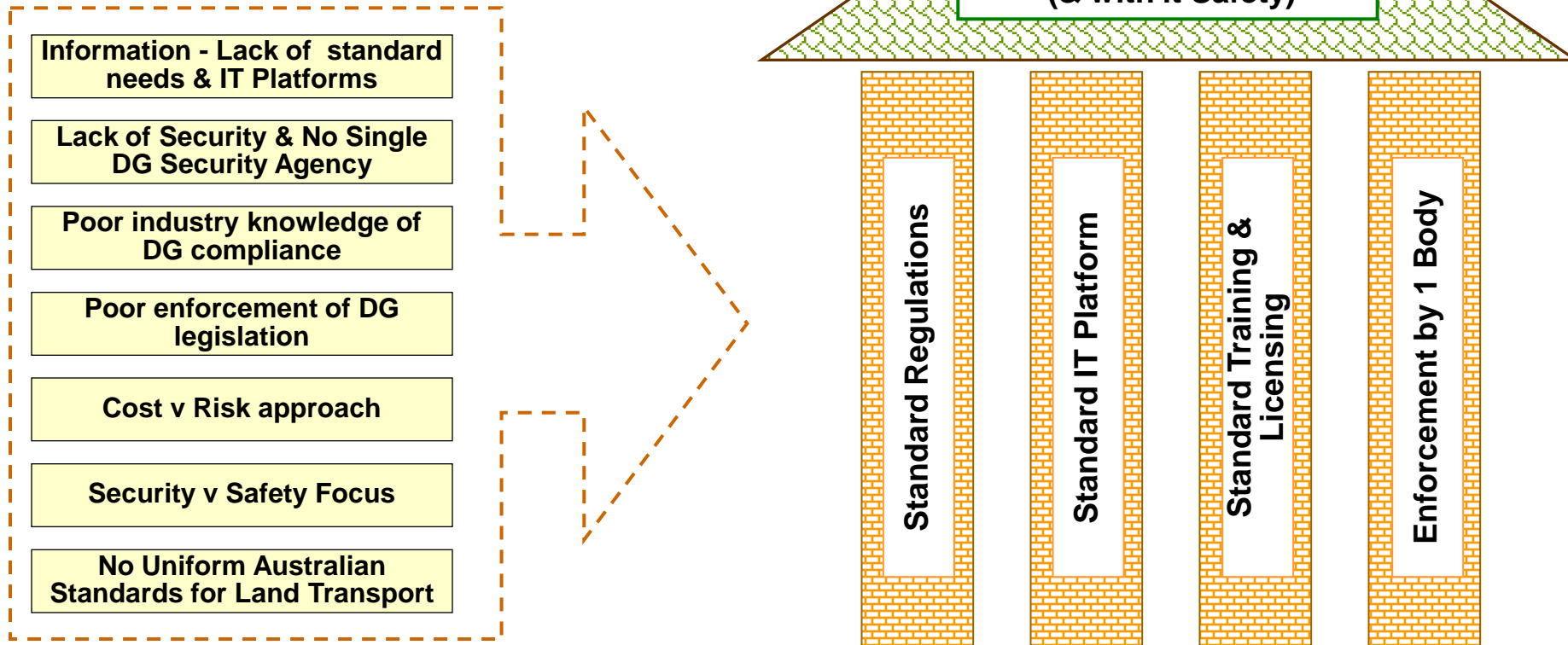


Single Window



The Key Issue 'Themes'

- Seven key issue themes shown below have been identified.
- These suggest four critical focus areas for improvement. (the '4 pillars')



Australian Study

- A working program has been established in accordance with the 4 Pillars concept for High Consequence Dangerous goods
- It was agreed, as an initial step, this approach would derive broad acceptance across all levels of Government and business enabling faster traction for legislation.

To Progress

How can we progress to further facilitate legitimate trade, reduce the costs and improve security

We must separate Occupational Health and Safety and Security making security a stand alone issue

The Compliance Challenge

Create 2 categories of shippers and intermediaries:

- One category would be those that comply with criteria agreed by Governments with standards that secure the supply chain
- The other would be those who do not

The Corporate Challenge

- We need to create incentives for companies to want to become supply chain compliant
- By facilitating border processes enabling a reduction in the costs of distribution
- We need to eliminate the silos that exist at all levels of business

The Government Challenge

- Heavy penalties for those in breach of their legal obligations
- Standard laws and process across international jurisdictions
- Eliminate the silos that exist between Government departments
- Reduce traders supply chain costs by facilitating trade and eliminating barriers
- Recognise the cost of additional security measures adopted by transport providers will be passed on to sellers of goods and the consumer

The Future

- The development by the WCO (World Customs Organisation) of the Unique Consignment Reference (UCR), a number applied to the goods at purchase, following the goods through the total distribution process provide a timely opportunity
- Technology provides the “window” and enables transparency
- The UCR as a data element can be well utilised within this window

Some Issues

- A threat to the SME intermediaries is the growth of the integrators.
- Governments should assist these SME's in building capacity enabling them to be internationally competitive.

Conclusion

- The final outcome for securing the supply chain should include benefits for Government, Exporters, Importers and the intermediaries.....a WIN WIN for all
- Thank you