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Ladies and Gentlemen - Good afternoon.

Peter (Cosgrove), thank you for the introduction, and congratulations to the NZ Border Sector Governance Group on the recent announcement to improve the border crossing experience for trans-Tasman travellers.

Today I will provide some thoughts about the Vision, from a trade and transportation perspective, for a common border between Australia and New Zealand, and how even more efficient handling of procedures/documents could assist in cutting costs.

The World Trade Organisation has recently estimated that each extra day added to the transit time when commercial cargo is travelling costs the cargo owner, and ultimately the consumer, an additional 0.9% of the value of the goods.

With a bilateral trans-Tasman trade worth in excess of 20 billion New Zealand dollars per annum, and a total of some 200,000 20 foot container (equivalent units) moving in the respective Australia/New Zealand trade corridors, including 12 designated weekly vessel arrivals and departures to and from Auckland alone, the trade is not insignificant.

I want to say at the outset, that New Zealand and Australian border administration compares well with other countries, and very good progress is being made.

Of course, there is room for further improvement in this part of the world. We must be ambitious, and set targets accordingly.

However, if New Zealand and Australia – two countries remote from global markets – are to remain competitive, we must keep costs down and have the leanest possible supply chain.

Our Vision is therefore about money and it's about time, and it all starts with productivity.

Some smart, practical steps to streamline the border and reduce waste and delay will really make a difference.

Can I say, and I understand this view is shared by New Zealand's airports, that we don't want the border completely dismantled.

But our Vision is for:

- an aligned and streamlined border, and border agency policies
- a closer partnership between business and Government, and
- up-take of best practice – by government and business – across both countries.

This is not just about what Government can do for business. It is also about – and perhaps the real opportunity is – business having a larger role in assisting with the streamlining of the border.

We want to work with Government to open up a conversation about the entire, end-to-end supply chain, to see where impediments to trans-Tasman trade exist.

It's about three days steaming time between Australia and New Zealand – so a ship that leaves Australia on Friday makes it in to one of the large ports in NZ late on Monday.

Our objective must be to reduce the time, hassle and cost that's tacked on to either side of that trip.

To ensure we make trade as efficient and effective as we possibly can, we must strive to make the same magnitude of change a reality when it comes to the transfer of goods and services between us.

In parallel with the excellent progress that's being made with the airline pass experience, we must strive to make the same magnitude of change a reality when it comes to the transfer of goods and services between us.

At the heart of such change lie concepts such as a "single window" where an exporter or service provider only need to enter data once, knowing that instantly these are being populated and distributed across all the agencies necessary to

ensure a smooth transaction – not only in their own country but simultaneously on the other side of the Tasman Sea.

This will mean working from a strengthened base of evidence and data, so that we are sure we really understand the supply chain, increasing the number and type of electronic messages being handled, reducing paperwork, and increasing the interaction with Government agencies via EDI (Electronic Data Interchanges).

Critically, it's also about the timeliness of cargo reporting by commercial parties.

The next step is to coordinate policies and procedures – not just share information.

Having policies and procedures that mirror each other will deliver efficiency gains, making life easier for the shipping lines and ultimately for importers and exporters, and that's really what it is really all about.

There's also a great opportunity to identify 'best practice' and apply it across both jurisdictions.

As individual countries we have to move away from the idea that only 'we' can perfect the best procedure.

Instead we should identify, without parochialism, the best way to meet the requirements.

For example, Australian ports currently require a “pre-receival advice” a so-called PRA, including a seal number on the container - before you can even get your container on to a port. This PRA contains the customs authority number.

In New Zealand, there’s a different situation – you don’t need a US Customs Electronic Delivery Order, a so-called CEDO, to get your container onto the port, but you do need one to get your box onto a ship. From time to time, this means we end up with containers in NZ container yards that don’t have the required clearances – and this leads to hold-ups, potential congestion and double-handling – and ultimately, lower productivity.

So we’d actually very much like to see alignment in New Zealand with the Australian way of doing things, with exporters required to get a CEDO before their box arrives at the port. I have been discussing this issue with the CEO of NZ Customs, and I do agree with you Martyn (Dunne), that the businesses rather than the Government must be the initiators.

Our ultimate aspiration is to streamline cargo processing so that one country’s export entry ends up being the import entry in the other country.

This would reduce the prospect of Customs delays at the port of discharge and significantly improve our customers’ ability to book transport and uplift goods.

Again, there are parallels to the efficiencies and opportunities being seized in the airline industry.

But sophisticated system based solutions aren't the only areas we as leaders should focus upon. We may have many common standards but, how confident are we that our interpretation is always the same?

If we are going to facilitate higher levels of efficiency and lift the productivity of trade between the two countries, then we must not only have the same written word, but furthermore, apply it with a common understanding.

Turning now to risks, the main concern our customers - and I count the shipping lines, forwarders, exporters and importers as "customers" - have about a common border is about biosecurity.

I actually believe there's a big opportunity here to do an even better job.

Some of the recent fumigations on ships in NZ ports have been on ships ex-Australia. Fumigations are a real problem for us and for our customers – they are death for productivity, creating delays, and adding cost.

Improved bio-security coordination would benefit both countries.

Ports and border sector agencies, in the end, have the same goal – to protect and enhance New Zealand’s ability to trade... whether this is through bio-security and risk management, or lifting productivity by enhancing the supply chain.

It is vital – for freight – that New Zealand retains its direct links to the world. Becoming a spoke off an Australian hub would not be good for our exporters and importers, prolonging transit time, and adding cost and uncertainty to the supply chain.

For those in the agricultural sector with cost and time sensitive goods, the consequences could be particularly severe.

So to conclude – our Vision is about money and it’s about time. It’s for a streamlined border, with coordinated and mirrored procedures that reflect “best practice”, and which effectively manage the risks around particularly, bio-security.

If we can collectively bring such a Vision to reality – and much work must be done by businesses as well as Government – then the benefits for the trans-Tasman trade, and for our respective economies, will be substantial.

Thank you very much for your attention!