



Case Study

Project 'Eureka'

Australian Wine Exported to Ireland 'Paper Free'

Project sponsor : Tradefacilitate Ltd.

Independent project manager: Applied Electronic Commerce

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Introduction

“The average international transaction involves 27 to 30 different parties, 40 documents, 200 data elements (30 of which are repeated at least 30 times) and the re-keying of 60-70% of data at least once.”

-United Nations Conference on Trade and Development-

“The average cost of invoicing is \$5 per paper invoice, versus \$2 for an electronic invoice”

-UNCEFACT (UN centre for Trade Facilitation and Electronic Business)-

From July 2009 the EU is adopting paper free legislation that will increase competitiveness for the EU import and export supply chains and their actors. After attending the UN forum in 2007 sponsored by Tradefacilitate the Australian Customs Service asked the Tradefacilitate Company to address the APEC single window symposium in Sydney on EU matters. On the same visit a series of meetings with trade bodies and professionals on the new EU pre-arrival/ pre-approval legislation and its effects on Australian exporters were initiated. It was recognized by Australian industry that the new EU legislation meant major change for businesses, and for trade documentation processing. This legislation comes into effect July 2009, when the EU will require all trade documentation to be presented electronically. Under this legislation permission must be given for the goods bound for the EU to be loaded at the port of exit 24 hours prior to departure.

Following on from these meetings the Tradefacilitate company and Australian customs agreed that a project (EUREKA), an independent project manager (AEC), and a chosen sector were needed to enable Tradefacilitate to assist Australian industry demonstrate best practice in EU paper free trade. The project remit was to demonstrate consignments from Australia to the EU using a standards based electronic ‘paper free’ documentation service (SETDOCS) provided by Tradefacilitate. This service enabled Australian capability to present information to the EU in the format required by them and conforming to the new legislation and preparing Australian goods for ‘green lane’ for entry to the EU and its member states, when the new legislation commences.

Process involved in Project “Eureka”

As independent project managers AEC was engaged to facilitate sector introductions and communications with industry and oversee the adherence to project plan. Additionally AEC also established with Tradefacilitate the awareness of forthcoming legislation and its implications and seminars and one to one meetings were held with principal industry, public sector, federal states and trade associations. Meetings included Tradegate, Australian Federation of International Forwarders, Customs Brokers & Forwarders Council of Australia and a number of Australian based Information Technology companies. Key partners in the successful “live shipments” included: Celtic Freight Forwarders, Dublin, Ireland; Food and Beverage Logistics, Adelaide, Australia; Sticks Winery, Victoria, Australia; The Gurdies Winery, Victoria, Australia.

End to end work flows were created and documented with the help of the supply chain participants, including mapping of all associated forms/data; emails streams and voice communication between the buyer, seller, forwarders, AWBC and Customs. AEC were integrated into a sister EU project on intra EU paper free trade and attended project midterm reviews and engaged with the 5 country partners in the eTEN EU project. AEC was also invited to Ireland by Tradefacilitate to meet and discuss the project with the participating Irish interested public private and government interests. From these meetings with Irish importers and Celtic Freight Forwarders and corresponding meetings with Food & Beverage Logistics in Adelaide and a client Sticks winery, the Australian paper free wine project was scoped with wine importer clients were managed by Celtic. AEC oversaw the end-to-end workflow analysis conducted by Tradefacilitate with the supply chain actors which were then mapped to the SETDOCS application in advance of the first paper-free consignment being carried out.

As the Tradefacilitate Company are committed to the UNECE WCO memo of understanding of April 2001 the project was scoped to include the WCO Unique Consignment Reference number in the project to demonstrate its use in the international movement of goods and a paper free trade consignment. Research was conducted by both AEC and Tradefacilitate, and a UCR integrated into the service using as a default Microsoft's free UCR identity number and it was also facilitated that should any other industry UCR could be entered manually to replace this, keeping this area agnostic. Whilst the end-to-end workflow had been achieved with participation of Sticks Winery, unforeseen resource constraints within Sticks resulted in their withdrawal and The Gurdies Winery, who had been working with the project as a cross reference to ensure that the developed work flow was in fact of a generic applicability assumed the role of exporter in EUREKA. With the exporting winery now replaced, the first 'paper free' parallel run of an Air freight shipment was executed, this being 3 weeks before IATA carried out their 'paper free' test. The analysis of the data gathered from this was processed and minor changes to the application were carried out, these were tested with 3 more air freight consignments being carried out during November, with one to Ireland and two to Finland.

In parallel to the air consignment a sea freight consignment from Australia to Ireland was initiated and completed end December 2008, the analysis from the Australian side, mapped to the workflow and also to the application, based on the previous parallel 'paper free' trials we expect the result from the Ireland to produce the same results. Authorised User Testing by the participants is still being carried out for Tradefacilitate.

AEC can now validate that the aims put forth for the Project 'Eureka' have been achieved and on the 20th August 2008 AEC and Tradefacilitate gave a project progress report on 'Eureka' to a forum of wine industry professionals, including the Wine Makers Federation of Australia and a representative of the AWBC. This was positively received and a number of large exporting and importing wineries wishing to engage in phase two of Eureka to 31/12/2008.

AEC Evaluation

The EU eTEN 'Clearview' project had established a low cost cross border 'paper free' trade facilitation service suitable for SME's, and traders from developing and transitioning economies. Project 'Eureka' utilised the same trade facilitation application service. The Clearview project aligns with the open standards direction established in the Memorandum of Understanding between the World Customs Organization (WCO) and the United Nations Economic Commission for Europe (UN/ECE), and utilizes the UN/Layout Key for cross border trade documentation format and the UNeDOCS data set of the UN/CEFACT Core Components Library.

The importance of the EU Clearview project and the follow-on AU 'Eureka' project is that they demonstrated a low cost of ownership, secure web based service, for small to medium enterprises upwards in international trade. As SME traders are asked to meet the guidelines of the WCO SAFE framework the legislative requirements of the EU and the USA and regionally as APEC embraces paper free, Eureka provided a road map for competitive and secure trade for the SME sector.

AEC as part of the process as Project Manager are currently assisting on finalising and presenting savings and benefits accrued to the supply chain actors in EUREKA by the end of December 2008. AEC recognizes that the success of Project 'Eureka' would not have been possible without the private sector driven initiative from Tradefacilitate, Celtic, Food & Beverage Logistics, The Gurdies Winery, Grace Campbell Ltd, and the full support of the following organizations:

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Australian Wine and Brandy Corporation
The WCO
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| http://www.customs.gov.au/site/page.cfm?u=5801 | Address by Neil Mann - 27 June 2007
Fifth secure trade in the APEC region conference
'Australia's approach to the authorized economic operator program' |
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