| Image shows a logo crest with Austalian Government, Department of Industry, Innovation and Science and Office of the Chief Economist |
| --- |
| Tradex Monitoring Evaluation Report 2018 |
| Jamos McAlesterMichael Amon |
| September 2021 |
|  |



For further information on this research paper please contact:

Evaluation Unit

Department of Industry, Innovation and Science

Email: Evaluation.Unit@industry.gov.au

Disclaimer

This report represents the findings of the evaluators and does not necessarily reflect the views of the Australian Government or the Department of Industry, Innovation and Science.

© Commonwealth of Australia 2019

This work is copyright. Apart from use under Copyright Act 1968, no part may be reproduced or altered by any process without prior written permission from the Australian Government. Requests and inquiries concerning reproduction and rights should be addressed to chiefeconomist@industry.gov.au. For more information on Office of the Chief Economist research papers please access the Department’s website at: [www.industry.gov.au/OCE](http://www.industry.gov.au/OCE)

Creative Commons Licence

With the exception of the Coat of Arms, this publication is licensed under a Creative Commons Attribution 3.0 Australia Licence.

Creative Commons Attribution 3.0 Australia Licence is a standard form license agreement that allows you to copy, distribute, transmit and adapt this publication provided that you attribute the work. A summary of the licence terms is available from http://creativecommons.org/licenses/by/3.0/au/deed.en . The full licence terms are available from http://creativecommons.org/licenses/by/3.0/au/legalcode.

The Commonwealth’s preference is that you attribute this publication (and any material sourced from it) using the following wording:

Source: Licensed from the Commonwealth of Australia under a Creative Commons Attribution 3.0 Australia Licence. The Commonwealth of Australia does not necessarily endorse the content of this publication.

Contents

1. Executive Summary 3

2. Summary of Findings and Recommendations 4

3. Management Response 5

4. Introduction 5

4.1 The Scheme 5

4.2 Tradex objectives 6

4.3 Scheme operation 7

4.4 This evaluation 8

4.5 Methodology 9

5. Effectiveness 10

5.1 Firm Level 10

5.2 Tradex Scheme as a whole 15

6. Efficiency 23

7. Integration 35

8. Program Performance 36

9. Conclusion 36

10. Appendices 38

Appendix A Excerpt from Terms of Reference 39

Appendix B Survey Questions 41

# Executive Summary

The Tradex Scheme (Tradex) is an entitlement scheme administered by the Department of Industry, Innovation and Science. It provides upfront concession from paying Customs duty and GST on imported goods if they are to be subsequently exported, either in the same condition, or processed or treated, or incorporated in another good.

Tradex was established under the *Tradex Scheme Act 1999* and is an alternative to the duty drawback arrangements under the Customs Act 1901, and has been in place since 2000. As such, Tradex is one of the mechanisms available to Australian businesses to avoid double taxation on such goods and the loss of competitiveness that would otherwise arise.

The Tradex Scheme Regulations 2008 is due to sunset on 1 October 2018. As such, this evaluation is well-timed to inform the legislative review required by the sunsetting process.

There have been several changes to the scheme since its launch, including removing some compliance activities to reduce the burden on users, and the centralisation of the Tradex national network to NSW and Victoria state offices of the department.

The department’s Evaluation Unit conducted a monitoring evaluation of Tradex between November 2017 and May 2018 to understand how well it is operating and whether there is scope for changes to improve its efficiency or effectiveness.

The data tell two differing stories about the effectiveness of the scheme. At the firm level, the effects are evident and generally positive. However, when considered at a whole of scheme level, Tradex appears to be in decline as the need for the scheme has reduced.

The evaluation found that firms using Tradex believe that it contributes to the international competitiveness of their exports. The cash flow benefit from using the scheme is widely recognised by Tradex users. Firms agree that Tradex is easier to apply to, and to use, than either the Duty Drawback Scheme or the GST Deferral Scheme. Firms that have used both Free Trade Agreements and Tradex consider them equally easy to use.

AusIndustry data and the observations of Customs brokers and freight forwarders (CBFFs) surveyed for this evaluation indicate that the use of Tradex is declining. CBFFs considered Free Trade Agreements to be more beneficial for the majority of their clients, but still regard Tradex as the best option for a niche of importers.

The evaluation found that Tradex is delivered efficiently, but that there is scope to improve delivery. This includes using a mechanism such as SmartForms to assist firms in applying to the scheme. The evaluation also raises the prospect of improving the efficiency of the Customs regime as a whole by unifying the administration of concession mechanisms and thereby promoting a streamlined, whole of government delivery.

Management were invited to provide a response to this report. Their comments are provided in Section 3.

# Summary of Findings and Recommendations

Table 2.1: Overview of evaluation Findings and Recommendations

| Findings  |  |  | Recommendations |
| --- | --- | --- | --- |
| Evaluation Focus Area: Effectiveness |  |
| Firms recognise and value both the cash flow benefit and reduced cost of compliance conferred to them through Tradex.  | This is more prevalent in small firms (Firm with turnover less than $2m) than large (Firm with turnover over $10m) | **1. The benefits conferred to firms using the Tradex Scheme should continue to be available.**Adhering to the principles of international taxation requires that a drawback procedure is available to importers of goods which will be exported, allowing them to recover Customs duties and local taxes.[[1]](#footnote-2)By granting upfront concession from Customs duty and GST, Tradex provides cash flow benefit to the importer.  |
| Tradex does not directly influence decisions to export. | The financial benefit conferred by Tradex is small compared to other market influences, such as exchange rates and freight costs. |
| Tradex is a practical mechanism to receive concession.  | Tradex is the preferred mechanism for eligible firms trading with countries for which there is no Free Trade Agreement (FTA).  |
| Though small firms are more likely to report Tradex as being important to their operation, the majority of the concessions were awarded to large firms. | Between 2006 and 2017, 1,721 firms used Tradex to receive a concession from Customs duty and/or GST. 75 per cent of all concessions went to only 55 firms. 29 per cent of all concessions were granted to one firm, which ceased manufacturing in Australia in 2017. |
| There has been significant diversification in terms of industries supported by the scheme. | Between 2006-07 and 2016-17, whilst the total concession paid has remained fairly constant, the Manufacturing sector’s proportion of the total concession awarded has dropped from over 70 per cent to 46 per cent; Wholesale Trade rose from 18 per cent to 21 per cent; Retail Trade rose from 3 per cent to 11 per cent; and Professional, Scientific and Technical Services, which rose from under 2 per cent to over 9 per cent.[[2]](#footnote-3) |
| The cost of delivery of Tradex is approximately 1 per cent of the concession granted through the scheme. | The scheme is allocated an annual budget of $1.9 million, and provides approximately $200 million in concession annually. |
| Assessment against the KPIs shows a long-term decline in the number of firms using Tradex but that the total value of concessions has remained stable. | Though the number of Tradex orders initiated each year has been declining and the number of revocations[[3]](#footnote-4) has increased, the value of concessions granted through the scheme has remained stable largely due to over half of all Tradex concessions being awarded to just nine of the total 1,721 firms using Tradex between 2006 and 2017. |

| Findings |  | Recommendations |
| --- | --- | --- |
| Evaluation Focus Area: Efficiency |
| Tradex is well administered. | Firms find it easy to apply and use. The administrative burden of both applying and using Tradex is less than the Duty Drawback scheme, and has about the same level of burden as Free Trade Agreements.The efficiency of Tradex administration could be improved by modernising the application process. | **2. Investigate unification of duty concession mechanisms under one body.**This will further improve the efficiency of these mechanisms as a group, and increase firms’ understanding of the options available to them by offering a more complete client service offering. It will further allow more detailed understanding of the contribution each mechanism provides to Australia’s economy.It is recommended that an independent investigation into the administration of each concession mechanism be undertaken with a view to identifying which agency is best positioned to administer all concession mechanisms and/or whether to unify all concession mechanisms and what form that may take. |
| Tradex is not replacing the Duty Drawback Scheme as initially intended. | At program launch, Tradex was expected to outcompete the Duty Drawback Scheme.Between 2006 and 2017, though the number of applications to the Duty Drawback Scheme has declined more quickly than Tradex, the amount of Customs duty repaid has tripled. |
| CBFFs are centrally important to firms choosing Tradex | 93 per cent of survey respondents report using CBFFs to facilitate their import/exports, and they are the most significant source of information when choosing a concession mechanism. | **3. Improve the level of awareness and understanding of Tradex amongst Customs brokers and freight forwarders, and Customs officials.**This will increase the number of firms that are using the most appropriate mechanism to improve their competitiveness.It is recommended that the Tradex delivery team lead the implementation of this recommendation with respect to Customs brokers and freight forwarders, and the policy team with respect to Customs officials. |
| CBFFs identify that they would benefit from improving their understanding of Tradex. | For Tradex order holders, one of the largest sources of frustration is their CBFF’s lack of understanding of the scheme.CBFFs indicate their understanding of the scheme, and thereby the quality of advice provided to their clients, could be enhanced.  |
| Customs officials have varying levels of awareness of the Tradex Scheme, which can be an impediment to its efficiency. | A small number of firms (1 per cent) report customs officials not being aware of the scheme and the consequent costs with overcoming this hurdle. |
| There is a perception that the application process and reporting requirements (when compared to FTAs) deter firms not already using Tradex from using it. | Though the respondents indicate that both the application process and using Tradex is easy, CBFFs indicate that the application process can dissuade their clients. This can also be the case with the required records management, especially when consignments are split between re-export and domestic consumption. | **4. Modernise the application process.**This will further improve the efficiency of the scheme and lower barriers to firms choosing Tradex.It is recommended that the Tradex delivery team lead the implementation of this recommendation. |
| The perpetual nature of Tradex orders has resulted in approximately half of existing Tradex orders being inactive | Once initiated, Tradex orders remain in place until they are revoked.Often, Tradex order holders find they either no longer require or are ineligible to hold their Tradex order, but do not request its revocation.This results in a high number of inactive accounts which decreases the transparency of the number of active users of the scheme.  |

| Findings |  |  | Recommendations |
| --- | --- | --- | --- |
| Evaluation Focus Area: Integration |  |
| The current level of integration between Tradex and the Department of Home Affairs is minimal, though this is appropriate for day-to-day operation. | The Department of Home Affair’s involvement in Tradex is minimal. While their responsiveness to routine Tradex-related data requests has increased, more detailed data sharing between the Department of Home Affairs and Tradex has been more challenging. |  |
| **Evaluation Focus Area: Performance assessment** |  |
| The objectives and KPIs would benefit from revision. | The KPIs were established two decades ago. Whilst they provide metrics to quickly determine the outputs of the scheme, they do little to provide an understanding of the outcomes, or provide an understanding of how the scheme contributes to the economy. | **5. Review the KPIs and objectives of the scheme.**This will enable a better depiction of the role Tradex plays in the Australian economy.It is recommended that the Tradex policy and program teams lead the implementation of this initiative. |

# Management Responses

The governance arrangements outlined in the Terms of Reference (see Appendix A) provide Policy and Program teams the opportunity to respond to the findings and recommendations of the evaluation.

The Tradex delivery team have supported the findings and recommendations through the Reference Group meetings, and high level comments, but have not provided a specific management response.

Box 3.1: Trade and International Branch’s response to the evaluation report

| *Trade and International Branch endorses the Tradex review and its recommendations. It is a thorough and discerning evaluation which provides useful insights into how the Tradex Scheme is used currently. In addition to the recommendations, the report provides useful information that will assist in managing policy responsibility for customs and tariff policy in the future. The survey findings from Customs brokers and freight forwarders are particularly useful. We note the need to consider the sequencing of addressing recommendations, in particular recommendation 2 should be addressed before progressing work on recommendations 3-5.* |
| --- |

Source: Trade and International Branch

Table 3.1: Responses to the recommendations

| Recommendation  | Response | Detail |
| --- | --- | --- |
| **1. The benefits conferred to firms using the Tradex Scheme should continue to be available.** | Trade and International supports this recommendation. |  |
| **2. Investigate unification of duty concession mechanisms under one body.** | Trade and International supports this recommendation. | This recommendation should be considered prior to agreeing any approach to the following recommendations. Although the report recommends an independent investigation, an effective outcome could be achieved by the Department and the Department of Home Affairs initiating a working group to consider administrative arrangements of Tradex and the Duty Drawback Scheme. |
| **3. Improve the level of awareness and understanding of Tradex amongst Customs brokers and freight forwarders, and Customs officials.** | Trade and International supports this recommendation. | Consideration of the effort and resources to improve awareness should be in line with potential benefits. Ensuring all outward facing documents are current and easily accessible is an initial step towards increasing knowledge of the scheme.Trade and International welcomes the finding that there is a high level of awareness of Tradex in Customs officials. |
| **4. Modernise the application process.** | Trade and International supports this recommendation. | If this recommendation is accepted, appropriate timeframes and performance indicators should be developed early to set deliverables |
| **5. Review the KPIs and objectives of the scheme.** | Trade and International supports this recommendation.  | If this recommendation is accepted, appropriate timeframes and performance indicators should be developed early to set deliverables. |

Source: Trade and International Branch

# Introduction

The Department of Industry, Innovation and Science has conducted a monitoring evaluation of Tradex in accordance with the department’s Evaluation Plan. The evaluation was conducted during 2017-18 by the department’s Evaluation Unit. Tradex was reviewed as a Tier two program.

## The Scheme

Tradex was established under the *Tradex Scheme Act 1999* and introduced in 2000. The scheme was designed to allow goods to be imported without payment of duties of customs or other taxes, provided that the goods are subsequently exported or incorporated in other goods that are exported.[[4]](#footnote-5) This ensures adherence to the recommended practice that goods should be taxed only in the country in which they are consumed, as set out in the International Convention on the Simplification and Harmonisation of Customs Procedures (Revised Kyoto Convention).[[5]](#footnote-6) This avoids goods being subject to double taxation, resulting in a negative effective rate of protection and a subsequent drop in competitiveness.

Tradex was designed to replace the existing Tariff Export Concessions program (TEXCO). It was expected to supplant the Duty Drawback Scheme by providing upfront exemption from Customs duty and GST, and by reducing the administrative burden on companies using these schemes.

The Duty Drawback Scheme has been retained as a separate program administered by the Department of Home Affairs. It serves eligible enterprises that are not confident that the goods will be exported within 12 months as is required by the Tradex Scheme.

Unlike Free Trade Agreements, Tradex does not restrict the source of goods eligible for concession. Unlike Tariff Concession Orders - which are for specific classes of goods - Tradex can be used to import any goods, except Excise Equivalent Goods or those intended to be sold “Duty Free”.[[6]](#footnote-7)

Table 4.1: Coverage of various concession mechanisms.

| Concession Mechanism | Covers imports from any country of origin  | Eligible for importing/exporting Excise Equivalent Goods (EEGs)[[7]](#footnote-8) | Covers any goods (Other than EEG, and not for retail as *Duty* *Free*) |
| --- | --- | --- | --- |
| Tradex | Yes | No | Yes |
| Duty Drawback Scheme | Yes | Yes | Yes |
| Free Trade Agreements | No | Yes | No\* |
| Tariff Concession Orders | Yes | No | No |

Notes: \*A Free Trade Agreement with a country may exclude specific goods.

Source: Mechanisms’ FAQ pages

## Tradex objectives

In introducing Tradex, the Australian Government’s overall policy objective was:

to put in place a more competitive customs regime in order to facilitate additional economic activity and help generate employment. A specific element of this is implementing programs that facilitate export activities by streamlining the administration of the customs regime applying to imports which are used in exported goods or exported in the same condition. Specifically, the objective of the introduction of Tradex is to increase utilisation of up-front exemption, reduce compliance costs and minimise administration costs.*[[8]](#footnote-9)*

The high level objectives of Tradex were detailed in the second reading speech as:

*“improving the effectiveness of existing [duty drawback] arrangements by:*

* moving primarily to an exemption based system, thereby reducing compliance costs for users. A drawback facility will still be available for instances where, at the time of import, it was not known that goods would be re-exported or used as inputs to exports.
* adopting a more light-handed approach to access and compliance requirements, and stronger reliance on self-assessment and periodic settlement; and
* relaxing some regulatory arrangements relating to eligibility, registration and on-going compliance requirements.”[[9]](#footnote-10)

The key performance indicators of the scheme are:[[10]](#footnote-11)

* the number of active Tradex order users
* the value of duty and/or tax concessions provided to eligible program participants.

## Scheme operation

Tradex is a self-assessment program administered by the Department of Industry, Innovation and Science. AusIndustry - Business Services is responsible for the program delivery, and is coordinated nationally by the Program Manager based in the AusIndustry NSW State Office.

The scheme operates as follows:

Importers apply for a Tradex order by printing out a form, filling out the details and sending it to AusIndustry. The application is assessed by AusIndustry to ensure the applicant has sufficient records-keeping capacity to use the scheme. The outcome of this assessment is recorded in the Tradex Customer Relationship Management system (CRM). If the application is approved, an Instrument Number is requested and generated by the Department of Home Affairs’ Integrated Cargo System (ICS).  From this point, use of the Tradex Scheme is self-assessed.

Tradex order holders quote their Instrument Number on import declarations, indicating the consignment is exempt from Customs duty and GST. The ICS updates Tradex’s CRM with the details of consignments quoting Tradex Instrument numbers. The Tradex order holder is bound by the Tradex Act and the Tradex Scheme Regulations to pay any self-assessed Tradex duty in the event of goods entering the domestic market.

The Tradex order holder must maintain an adequate record-keeping and accounting system in respect of the goods imported under Tradex and until they are exported.  These records may be subject to compliance monitoring by AusIndustry.

### Eligibility

The Tradex scheme can be accessed by individuals, incorporated companies, partnerships, incorporated associations, and any other kind of body corporate that is not externally administered. Tradex order holders must export the nominated goods, or combine them into other goods that are subsequently exported, within one year, or within a timeframe agreed by AusIndustry.

To be eligible, Tradex order holders, including overseas entities, must keep and maintain records covering their Tradex usage in Australia.

## This evaluation

This report presents the findings and recommendations arising from a monitoring evaluation of the Tradex Scheme, undertaken between November 2017 and May 2018.

### Authority for evaluation

The explanatory memorandum introducing Tradex stated that “periodic reviews would be undertaken to monitor the performance of the scheme and detail the level of utilisation.”[[11]](#footnote-12)

The Tradex Scheme Regulations 2008 is due to sunset 1 October 2018. Sunsetting is an important mechanism for the Australian Government to implement policies to reduce red tape, deliver clearer laws and align existing legislation with current government policy.[[12]](#footnote-13)  This evaluation is therefore well-timed to inform the review of this legislative instrument as required by the sunsetting process.

Tradex is being reviewed as a Tier two evaluation. The timing and nature of this evaluation is consistent with the Department’s Evaluation Plan 2017-21.

The Terms of Reference (see Appendix A) define the key evaluation questions, which were grouped into four Evaluation Focus Areas—effectiveness, efficiency, integration and performance assessment—in accordance with the Expenditure Review Principles published by the Department of Finance. Evidence was gathered to inform assessments of those focus areas. Where appropriate, this evaluation provides recommendations to improve the operation of Tradex in those areas.

### Governance

A Reference Group comprising the following members was established to provide advice, perspectives and direction for this evaluation.

* Mr David Turvey (subsequently Dr Abrie Swanepoel), Chair, General Manager, Insights and Evaluation Branch, Economic and Analytical Services Division
* Mr Aapo Skorulis, General Manager, NSW / ACT State Office, AusIndustry – Business Services
* Mr Martin Squire, General Manager, Trade and International, Portfolio Policy & Innovation Strategy Division.

## Methodology

A review of the following sources was undertaken to inform the evaluation findings and recommendations.

* Hansard records and formative documentation
* Reports from the Department of Industry, Innovation and Science’s Program Summary Database
* Digests from the Tradex CRM
* Desktop literature review

### Interviews with key stakeholders

Interviews were conducted with four departmental stakeholders. Both the Department of Home Affairs and the Australian Tax Office declined the opportunity to interview.

### Surveys

The evaluators conducted surveys of two key groups – Tradex order holders, and the Customs brokers and freight forwarders (CBFFs).

For more details of these questionnaires, see 11.

###  Structure of this report

This report outlines the opinions of stakeholders in the scheme, and shows how they mostly complement, but occasionally contrast with the administrative data from the scheme in the context of the evaluation focus areas. Where appropriate, Evaluation Focus Areas are considered at both the firm level and the whole of scheme level.

# Effectiveness

To evaluate the effectiveness of the scheme, this evaluation considered the extent to which Tradex had clear and consistent objectives, and how well it was performing against them. It further explored whether Tradex achieved value for money to the government.

## Firm Level

### The benefits conferred by Tradex are small yet important

Firms using Tradex report that using the scheme has improved their cash flow. Box 5.1 presents selected comments provided from the survey of Tradex order holders highlighting the positive impact that Tradex’s up-front concessions have on firms’ cash flow.

Half of the Tradex user survey respondents agreed and one quarter strongly agreed with the statement “Using Tradex has improved the cash flow of your business” (Figure 5.1). Small firms are more likely than larger firms to strongly agree that using Tradex has improved their cash flow.

Box 5.1: Tradex order holder views on Tradex’s effects on cash flow.

| “*For exports, every cent counts.*” (Firm with turnover $2m – $10m, of which import/export is 0%-25%, employing 1-4)*“We do large volume jobs for export so cash flow is king and Tradex is a must for us”* (Firm with turnover less than $2m, of which 26%-50% is import/export, employing 5-19)“*Better cash flow enables funds to be used in faster product development and manufacturing time-frames*” (Firm with turnover less than $2m, of which import/export 51%-75%, employing 5-19). |
| --- |

Source: Survey of Tradex order holders

Figure 5.1: Firm responses to “Using Tradex has improved the cash flow of your business.”

Source: Survey of Tradex order holders

Respondents indicate that they believe the improved cash flow contributes to competitive prices and improved operational timeframes. However, this benefit is typically small. In a given year, whilst some firms (less than 5 per cent) received over $1 million concession, between 2006-07 and 2016-17 the median annual concession was $20,186. For further information on the distribution of concession, see Section 5.2.

The dollar figure of the cash flow benefit conferred through this concession is also small. Australia currently has a combination of low tariff rates and low interest rates. An importer could use an overdraft to cover Customs duty and GST, and recover the costs at export by using the Duty Drawback Scheme. Assuming imported goods attract Customs duty at 5 per cent, GST at 10 per cent and an interest rate of 6.25 per cent, the interest payable on the loan to cover these additional costs on $10,000 of imported goods is approximately $24 per quarter.

Though modest, this cash-flow benefit is valued by importers of all sizes (Box 5.2). The upfront concession means users of the scheme are able to invest capital in their business that otherwise would have been committed to the temporary payment of Customs duty and GST.

Box 5.2: Follow-on effects of the cash flow benefit provided by Tradex.

| *Cash flow implications have allowed us to import in a better pattern for subsequent sale as the timing of import to coincide with vintage requires good crystal ball, by easing the cash flow we can put more buffer in the system, which results in happier customers, and less timing mishaps* (Firm with turnover less than $2m, of which 51%-75% is import/export, employing 5-19)*We are able to invest in other equipment, etc to boost our manufacturing here in Australia*. (Firm with turnover greater than $10m, of which import/export is 76%-100%, employing 200 or more)*Cash flow is much better now - especially since this is a small company trying to grow. It has meant that cash can be diverted into supplies and manpower.* (Firm with turnover less than $2m, 51%-75% of which is import/export, employing 1 – 4) |
| --- |

Source: Survey of Tradex order holders

### Using Tradex has reduced the cost of complying with Customs and GST requirements.

Another widely perceived benefit of Tradex is the streamlining of administrative requirements. Over half of the Tradex order holders surveyed report that using Tradex has reduced the cost of compliance with Customs and GST requirements, with 23 respondents (14 per cent) strongly agreeing (Figure 5.2). However, almost 40 per cent of respondents indicate that the overall impact on their firm is negligible.

Figure 5.2: Tradex order holders’ views on Tradex reducing GST and Customs compliance costs.

|  |
| --- |

Source: Survey of Tradex order holders

**Finding: Effectiveness**

* Firms recognise and value both the cash flow benefit and reduced cost of compliance conferred on them through Tradex.

### Tradex has little influence on firms’ decisions to export

Tradex order holders were asked to what extent they agreed that “Using Tradex has changed your import/export activities” using a 5 point scale. The average score was 3.1, equating to “Neither agree nor disagree”. Whilst firms recognise the benefits conferred to them through the scheme, these benefits are small compared to other factors, such as the exchange rate and the cost of freight to and from Australia. As such, Tradex’s influence on firms’ import/export activities appears small. Whilst it is cited by some firms as necessary for them to continue their import/export activities (Box 5.3), for most, the benefits from Tradex is not enough to influence their decisions to export.

Box 5.3

| *Us not having to pay GST and claim back is a benefit to us but really makes no difference to our end customer overseas. However without Tradex we would struggle to be able to afford the upfront costs in order to Export.* (Firm with turnover less than $2m, of which 26%-50% is import/export, employing 5-19) |
| --- |

Source: Survey of Tradex order holders

Smaller firms’ import/export activities are more likely to be influenced by Tradex than larger firms. When grouped by turnover range, there is a clear trend: 44 per cent of small firms (Firms with turnover less than $2m) agree that Tradex has influenced their activity, as opposed to only 22 per cent of medium sized firms (Firms with turnover $2m–$10m) and 14 per cent of large firms (Firms with turnover $10m or more).

Box 5.4: Tradex order holder comments on Tradex’s influence on firm import/export activity.

| *We would still need to import/export. It's quicker and simpler with Tradex.* (Firm with turnover $2m to $10m, of which 76%-100% is import/export, employing 20-199)*Our activities are the same-however Tradex makes it possible for us to import and export without the cash flow issues… Without Tradex we would struggle to be able to afford the up-front costs in order to export.* (Firm with turnover less than $2m, of which 26%-50% is import/export, employing 5-19) |
| --- |

Source: Survey of Tradex order holders

Firms reporting that Tradex did change their import/export activity indicate that it was a result of the cash flow benefit conferred by Tradex. Firms that did not agree provided frank descriptions of how import/export is either a small part of, or conversely, vital to how they conduct business, and Tradex is their preferred mechanism to facilitate it (Box 5.4).

### Some firms report Tradex as vital to their competitiveness.

Responses do however indicate that Tradex is important in providing a level playing field with other countries. There is widespread, weak agreement with the statement “Using Tradex has increased the international competitiveness of your exports”. Only 13 of the 169 respondents disagree that using Tradex has made their exports competitive. Through open responses, those respondents indicate that the benefit conferred through Tradex is slight compared to other factors, including freight costs to Australia and the value of the Australian dollar.

A few firms indicate that without the advantages conferred by Tradex, they would not remain competitive internationally, and a handful of firms (3) indicate that Tradex is vital to their ongoing exports (Box 5.5).

Box 5.5: Tradex order holder comments on the Scheme’s importance for international competitiveness.

| *We compete against US entities with similar arrangements… Tradex has made us competitive against other foreign businesses. The GST liability without Tradex would make attracting overseas customers impossible.”* (Firm with turnover $2m to $10m, of which 76%-100% is import/export, employing 20–199)*It has really helped transfer funds that would have been lost to paying GST and duties, to re-investing in our products (development, design and manufacturing), and allowed faster turnaround times for customers. It encourages us to import/export frequently, without worrying about losing so much money all of the time. In our particular industry, most of our customers and suppliers are overseas. The Tradex Scheme has really helped improve our competitiveness.* (Firm with turnover less than $2m, of which import/export is 51%-75%, employing 5-19) |
| --- |

Source: Survey of Tradex order holders

Finding: Effectiveness

* Tradex does not directly influence decisions to export.

### Firms using Tradex consider it a practical mechanism to receive concession

Over 88 per cent or respondents to the Tradex order holder survey agree that Tradex is easy to apply to, and over 94 per cent of respondents consider the scheme to be easy to use (Figure 5.3). This finding is supported by the opinion of 70 per cent of CBFFs.

Figure 5.3: Tradex order holder responses to the ease of (a) applying to and (b) using Tradex.

|  |
| --- |
|  |

Source: Survey of Tradex order holders

As highlighted in Box 5.6, firms consider Tradex easier to apply to and use than Duty Drawback. Firms who have used both schemes prefer Tradex to the Duty Drawback Scheme.

Box 5.6: Tradex order holder comments comparing the ease of use of Tradex and Duty Drawback.

| *[We] Moved from Duty Drawback to Tradex in 2009 in view of ease of completing returns and general admin. It also appeared to more readily meet our trading patterns. (Firm with turnover less than $2m, of which import/export is 76%-100%, employing 1-4)**[We] Stopped using Duty Drawback scheme as the Tradex scheme was favourable in terms of cash flow and administrative burden. (Firm with turnover over $10m, of which import/export is 51%-75%, employing 5-19)* |
| --- |

Source: Survey of Tradex order holders

Tradex and FTAs are rated about equal in terms of ease of use (Figure 5.4). Notably, CBFFs draw a different comparison between Tradex and FTAs—though a quarter of their responses were neutral, the mean score of 2.4 indicates they consider FTAs easier to use than Tradex (Figure 5.5).

Figure 5.4: Responses of Tradex order holders who have used more than one concession mechanism to “Tradex is easier to use than (a) the Duty Drawback Scheme and (b) Free Trade Agreements”

|  |
| --- |
|  |

Source: Survey of Tradex order holders

Figure 5.5: CBFF responses to “Tradex is easier to use than (a) the Duty Drawback Scheme and (b) Free Trade Agreements”

|   |
| --- |
|  |

Source: Survey of Tradex order holders

Finding: Effectiveness

* Tradex is a practical mechanism to receive concession.

## Tradex Scheme as a whole

To understand Tradex’s narrative at the whole-of-scheme level, it is necessary to consider some of the changes that have occurred during its lifespan.

### The Australian economy has changed since the introduction of Tradex in 2000.

Tariff rates have declined steadily since the introduction of Tradex (Figure 5.6).

Figure 5.6: Australian tariff rates from 2000-2016.

|  |
| --- |

Notes: Australia's Tariff Rates (applied, simple mean, all products)

Source: <https://www.indexmundi.com/facts/australia/tariff-rate>

Based on Australian Bureau of Statistics data, Manufacturing as a proportion of GDP has fallen from 13.8 per cent in 1999-00 to 5.7 percent in 2016-17.[[13]](#footnote-14) Over a similar period, exports of goods and services as a proportion of GDP declined by 1 per cent per annum.[[14]](#footnote-15) The proportion of “Manufactures exports” declined from 11.4 per cent in 1999-00 to 3.4 per cent in 2016-17.[[15]](#footnote-16)

As the Manufacturing sector was intended to be an important part of Tradex’s target customer base, these declines would be expected to impact on the types and number of firms using the scheme.[[16]](#footnote-17)

### Australia has a competitive customs regime

Australia’s Customs regime has scored consistently well on the World Economic Forum’s *Global Competitiveness Report* measures of the competitiveness of Customs regimes. On a scale from 1 (extremely inefficient) to 7 (extremely efficient), Australia’s ‘burden of customs procedures’ has scored 5 or above each year since 2010, keeping Australia in the upper ranks of competitiveness among the more than 120 countries on the list (Figure 5.7).[[17]](#footnote-18) The operation of Tradex and related concession mechanisms clearly contributes to this outcome. However, the extent to which Tradex in particular does so is difficult to estimate and, given the small proportion of the total concession conferred by Tradex (less than 1 per cent of all Customs duty collected), is likely to be small.

Figure 5.7: Australia’s *Burden of Customs Procedures* ranking by the World Economic Forum from 2007-2017.

|  |
| --- |

Notes: Burden of Customs Procedure measures business executives' perceptions of their country's efficiency of customs procedures. It rates their response to “In your country, how efficient are customs procedures (related to the entry and exit of merchandise)?” from 1 for “Extremely inefficient” to 7 for “Extremely efficient”.[[18]](#footnote-19)

Source: World Economic Forum, *Global Competitiveness Report*, 2007-08 to 2016-17

### Most of the concession conferred through Tradex has gone to a small number of firms

While more than 1,700 firms used the scheme between January 2006 and August 2017, over half of all the concession was accounted for by only nine firms. Further, three quarters of the concession was accounted for by 50 firms (Figure 5.8). One firm alone received 29 per cent ($671m) of all concession conferred through the Tradex Scheme over this period. Its recent departure from the Tradex scheme is expected to significantly reduce the total amount of concession conferred through Tradex.

Figure 5.8 Firm distribution of total Tradex concession (Customs duty and GST) (a) With all recipients; (b) with recipients of successively larger concessions excluded.

|  |
| --- |
|  |

Source: AusIndustry

Finding: Effectiveness

* Though small firms are more likely to report Tradex as being important to their operation, most of the concession conferred through Tradex went to a small number of firms.

### The industry base supported by Tradex is diversifying

Figure 5.9 shows that from 2006-07 to 2016-17 Tradex provided more concession to the Manufacturing sector than any other. Throughout this period, the annual total concession of the leading user of the scheme is approximately equal to the combined totals of all other manufacturers. As this figure is anomalously high, analysis of the diversification was first conducted with all of Tradex’s records, and subsequently, excluding the records of the leading user.

Figure 5.9: Total concession conferred to each ANZSIC between 2006-07 and 2016-17

|  |
| --- |

Notes: Manufacturing represents all manufacturers using Tradex other than the leading user.
Source: AusIndustry

When considering all the Tradex records, the whole Manufacturing sector received over 70 per cent of the total concession conferred through Tradex in 2006-07. In that year, the Wholesale Trade sector received the second most concession at 18 per cent. In 2016-17, whilst the total concession conferred through Tradex was approximately the same as 2006-07, Manufacturing accounted for only 46 per cent. Wholesale Trade’s proportion stayed fairly constant, rising from 18 per cent to 21 per cent. The largest increases between these two periods were in Retail Trade (3 per cent to 11 per cent) and Professional, Scientific and Technical Services (up from less than 2 per cent to 9 per cent) (Figure 5.10).

Figure 5.10: The distribution of concession conferred through the Tradex by ANZSIC by year

|  |
| --- |

Notes: “All other ANZSICs” covers 17 industries. Ordered by total concession between 2006-07 to 2016-17, they are: Retail Trade; Professional, Scientific and Technical Services; Transport, Postal and Warehousing; Mining; Financial and Insurance Services; Construction; Electricity, Gas, Water and Waste Services; Administrative and Support Services; Other Services; Education and Training; Information Media and Telecommunications; Public Administration and Safety; Agriculture; Rental, Hiring and Real Estate Services; Health Care and Social Assistance; Accommodation and Food Services; Arts and Recreation Services Source: AusIndustry

This diversification is accentuated when the leading user’s data are excluded from the analysis. Between 2006-07 and 2016-17, Manufacturing dropped from 57 per cent of the adjusted total concession to just 29 per cent. Wholesale Trade steadily dropped from 26 per cent to a low of 16 per cent in 2015-16, and then surged back to 28 per cent in 2016-17. Steady increases in the proportion of concession are observed in a number of sectors, including Retail Trade (from 4 per cent to 14 per cent), Professional, Scientific and Technical Services (from 2 percent to 12 per cent), Transport, Postal and Warehousing and Mining (from 1.5 per cent to 5 per cent). These trends partially align with the changes in contribution to GDP (Figure 5.11).

It is worth noting that these trends may change. Following the period this evaluation considers, Manufacturing saw significant growth in employment, with 74,000 jobs created between November 2017 and November 2018.[[19]](#footnote-20) As such, the Manufacturing sector may increase both its contribution to GDP and the proportion of the total concession conferred through Tradex.

Figure 5.11: The portion of GDP contributed by different ANZICs

|  |
| --- |

Source: [ABS Cat. No. 5204.0, Table 5](http://www.abs.gov.au/AUSSTATS/abs%40.nsf/DetailsPage/5204.02016-17?OpenDocument)

Some industries’ use of Tradex vary significantly from year to year. As such, trends in the data are more reliable when comparisons are made using three-year averages, rather than comparing single years’ figures.

Comparing each industry’s three-year average concession for the periods 2006-09 and 2014-17 shows the largest growth in Tradex use occurring in Transport, Postal and Warehousing (increase of $14.3 million), Retail trade (increase of $12.8 million), and Professional, Scientific and Technical Services (increase of $10.7 million).

Finding: Effectiveness

* There has been significant diversification of the industry sectors supported by the scheme.

### The cost of delivery is low

The variations inherent in different funding mechanisms make it difficult to compare their respective cost of delivery in absolute terms. Their relative efficiency may, however, be inferred.

Tradex conferred an average of $188m concession per year between 2010-11 and 2016-17 on an annual budget of $1.9m. Accordingly, the cost to the government to deliver each dollar of Tradex concession is around $0.01.

As a point of comparison, the 2016 review of the Research and Development Tax Incentive (RDTI) found that $2.95 billion of cash payments and tax relief were provided in 2013-14, and that the administrative cost of the scheme in 2014-15 was between $22 and $25 million.[[20]](#footnote-21) Disregarding the disparities in the years of measurement, this equates to a cost of approximately $0.01 to deliver $1 of tax incentive, almost identical to that of the Tradex Scheme.

Finding: Effectiveness

* The cost of delivery of Tradex is approximately 1 per cent of the concession granted through the scheme.

### The use of Tradex appears to be declining

Since Tradex began, there has been a proliferation of mechanisms for firms to receive concession from Customs duty for eligible imports and exports. The increasing number of Free Trade Agreements (FTAs) and Tariff Concession Orders (TCOs) since 2000 has provided firms more avenues to receive concession from Customs duty (Figure 5.12). This increased competition for concession mechanism is likely to exert downward pressure on Tradex’s rates of use.

Figure 5.12: Mechanisms of Customs duty concession since 1994.

| Notes: More FTA negotiations are being held with a range of economies, including the European Union and Hong Kong. The Peru-Australia Free Trade Agreement was signed 12 February 2018, and the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (TPP-11) was signed in Santiago, Chile, on 8 March 2018. |
| --- |

Despite the rising number of Tradex order revocations, the number of firms actively using the Tradex scheme has remained fairly constant. Since 2006, the number of Tradex orders being initiated each year has dropped, whilst the number of revocations has increased. As a result, the number of Tradex order holders—though not the number of firms actively importing through the scheme—has fallen. This was particularly evident in 2016-17 (Figure 5.13).

Figure 5.13: Tradex orders initiated, revoked, in place and actively used since 2000.

| Source: AusIndustry |
| --- |

From January 2006 to June 2017, Tradex provided concessions totalling $2.1 billion to 1,721 firms. The past seven years have seen the total concession from Customs duty conferred each year remain relatively constant at $46 million. At the same time, Customs duty collections have increased. Since 2009-10, the annual amount of Customs duty collected has doubled (Figure 5.14). As a result, the Customs duty concession provided under Tradex has fallen as a proportion of the total Customs duty collected, from approximately 1.5 per cent in 2006-07 to 0.3 per cent in 2016-17.

Customs attribute the rise in Customs duty to various factors. Between 2010 and 2012, they reference the strong Australian dollar changing consumer preferences, including increased importation of Excise Equivalent goods such as alcohol, tobacco, fuel and petroleum products, all of which are ineligible under Tradex.[[21]](#footnote-22) In 2013 and 2014, the rise in Customs duty collected is attributed to a wide range of factors, including the fall in the dollar, as this increases the Customs Value of goods; domestic manufacturers moving offshore, as well as increased imports of Textiles, Clothing and Footwear; and an increase in excise rates for tobacco.[[22]](#footnote-23) In 2015 and 2016, they attribute the rise to imported tobacco.[[23]](#footnote-24)

### The total Customs duty collected annually has doubled since 2010-11, while the concession conferred through Tradex has remained constant.

Figure 5.14: Annual Customs duty collected since 2004-05 and annual Tradex concession since 2006-07.

|  |
| --- |
|  |

Source: Customs duty figures gathered from Annual program performance reports, Department of Home Affairs. Tradex figures from AusIndustry,

The more recent stabilisation in the amount of Customs duty forgone suggests that the firms revoking their Tradex orders were small users or non-users of the scheme.

Figure 5.15: The distribution of users of Tradex and the total concession conferred to each group

|  |
| --- |

Source: AusIndustry

CBFFs attribute the decline in their customers’ use of Tradex to the increased availability of FTAs. They perceive the decline to be stronger in Duty Drawback than Tradex (Figure 5.16). This observation is confirmed by Annual Reports from Customs, which reveal the number of applications paid by the Duty Drawback Scheme between 2008-09 and 2016-17 has declined by an average of 5.5 per cent per annum. Over the same period, the number of firms using Tradex showed an average annual decline of 3.9 per cent.

The fact that CBFFs perceive long term changes in rates of use of programs suggests firms are opting to use Free Trade Agreements over other mechanisms.

Figure 5.16: CBFF’s perceived long term changes in rates of use of various concession mechanisms.

|  |
| --- |

Source: Survey of Customs brokers and freight forwarders

Finding: Effectiveness

* Assessment against the KPIs show a long-term decline in the number of firms using Tradex, but that the total value of concessions has remained stable.

Both the Revised Kyoto Convention (2006) and the Customs Act (1901) make provision for a mechanism to receive concession from Customs duty and local taxes for goods not entering the domestic market. Tradex is one mechanism that allows this, and it is seen by those that use it as being a better scheme than the Duty Drawback Scheme due to improved cash flow and reduced administrative costs.

Generally, these benefits are not great enough to directly influence firms’ decisions to import/export, though they are perceived to increase the competitiveness of their exports. Further, some firms consider these benefits to be an important part of how they conduct their business.

Despite the slow decline seen in the scheme’s use, coupled with the recent exit of the major user of the scheme, these benefits of the scheme are delivered with a marginal cost to the government.

Recommendation 1: Effectiveness

* The benefits conferred to firms using the Tradex Scheme should continue to be available.

# Efficiency

This evaluation considered the extent to which Tradex is delivered efficiently.

### Tradex is well administered

Interviews with internal stakeholders revealed that Tradex has consistently met the department’s Customer Service Charter. None of the interviewees could recall any instance of complaints being registered against the scheme. This is due, in part, to the Tradex team placing a high priority on customer service, and is also apparent in the number of Tradex order holders (4 per cent) who have praised the Tradex teams and their level of service.

The administration of Tradex has been refined since its inception, including centralising the National Tradex Network to the NSW and Victorian State Offices.

The team’s analysis of their compliance mechanisms showed that ‘L3 Substation Audits’ repeatedly demonstrated a high level of compliance by the users of the scheme. This finding, coupled with a reduction in staff resources, has resulted in the compliance measures being streamlined. Interviews with stakeholders reveal that this has led to an estimated reduction of two-thirds in administrative workload. The benefits of this streamlined system have been recognised by and reflected in the responses of long-term users of the scheme.

This is due to the team’s strong customer focus, evidenced through both interviews with AusIndustry and the open responses from Tradex order holders. Interviews with internal stakeholders yielded potential streamlining options, such as the integration of SmartForms, which would reduce the workload incurred by both firms and AusIndustry, and aligns with the practices of the wider department.

**Findin**g**: Efficiency**

* Tradex is well administered.

### Tradex’s market share is likely to remain small

As noted earlier (Figure 5.12) a number of mechanisms are available to firms to gain concession from Customs duty and GST on goods that are imported and subsequently exported. However, only a minority (18 per cent) of respondents to the Tradex order holder survey were aware of concession mechanisms other than Tradex. This suggests that there is capacity to improve firms’ knowledge of their options, a conclusion supported by comments from CBFFs.

ABS data reveal that the annual total of re-exported goods has increased since 2006. [[24]](#footnote-25),[[25]](#footnote-26) As this trend is not observed in Tradex’s Customs duty concession, this suggests firms are using other mechanisms to recover the imposts of Customs duty and GST, such as the Duty Drawback Scheme.

On the 8th December 1998, the then Prime Minister announced Tradex as part of the “Investing for Growth” industry statement, outlining the intention for Tradex to replace the Duty Drawback Scheme:

*“This reform will be supported by the consolidation of the Duty Drawback and Tariff Export Concession schemes into one integrated and simplified scheme to be known as TRADEX.” [[26]](#footnote-27)*

Though the Duty Drawback Scheme was ultimately retained as a separate scheme, businesses were widely expected to convert to choosing the Tradex Scheme over Duty Drawback Scheme.

This conversion has not happened to the extent expected. The Department of Immigration and Border Protection 2016-17 Annual Report stated that “*There was an increase this financial year in the number of high-volume and high-value complex drawback claims*.”[[27]](#footnote-28)

Data from the Department of Home Affairs annual reports show that whilst the number of applications to the Duty Drawback Scheme has decreased, the amount of Customs duty reclaimed by firms has increased from $58.2 million in 2006-07 to $161.3 million in 2015-16, representing an average increase of approximately 10 per cent per annum, indicating that the Duty Drawback Scheme’s concession from Customs duty is three to four times greater than that conferred though Tradex.

Despite CBFFs considering that their clients prefer Tradex to Duty Drawback, their combined estimates of the number of import declarations made through Tradex and Duty Drawback were approximately equal.

Finding: Efficiency

* Tradex is not replacing the Duty Drawback Scheme as initially intended.

### There are advantages in bringing the schemes together

The Duty Drawback Scheme and Tradex have been operating side-by-side for nearly 20 years. Whilst the end result for firms using these concession mechanisms is broadly the same, interviews with AusIndustry suggest that historically, AusIndustry considered itself more assistive and Customs more compliance focused, but that this perception is now less pronounced.

When asked to comment on the prospect of joint administration of these schemes, none of the interviewees raised concerns. Some commented that they would expect to see an increase in customer service across both mechanisms by providing a streamlined, whole-of-government service which would be expected to help firms to consider which mechanism was the most appropriate to support them. Further, it would facilitate a more direct comparison of the schemes’ rates of use, which has traditionally proved to be a challenge.

This will further improve the efficiency of these mechanisms as a group, and increase firms’ understanding of the options available to them by offering a more complete client service offering. It will further allow more detailed understanding of the contribution each mechanism provides to Australia’s economy.

Recommendation 2: Efficiency

* Investigate unification of duty concession mechanisms under one body.

### CBFF’s perceptions of their clients’ preferences shows whilst FTAs dominate, Tradex remains a preference for some firms.

Whilst CBFFs consider that FTAs and “Other mechanisms such as Tariff Concession Orders”—both of which are seen to have a lower reporting requirement than Tradex—are increasingly preferred by their clients, they also indicate that Tradex remains the preferred mechanism for a small number of their clients (Figure 6.1).

Figure 6.1: CBFF’s perceptions of their clients’ preferred concession mechanisms.

|  |
| --- |

Source: Survey of Customs brokers and freight forwarders

Alongside the clear message from CBFFs that they perceive FTAs to be the better mechanism for the majority of their clients, there is a suggestion that CBFFs consider the relevance of Tradex to Australia firms is declining.

Box 6.1: CBFF’s views on Tradex in today’s economy.

| *The system is great but the commercial system has changed and clients aren't interested.**The Tradex Scheme is a better mechanism for Australian Manufacturers (those that we still have) to import raw or semi-finished materials to further manufacture.*  |
| --- |

Source: Survey of Customs brokers and freight forwarder

### CBFFs are centrally important to firms’ choice of concession mechanism

Tradex order holders and CBFFs rated the influence of aspects of the mechanism and sources of information to provide insight to firm’s preferences. The three strongest influences on a client’s choice of concession mechanism were the availability of upfront concessions; the level of administrative burden, and advice from CBFFs.[[28]](#footnote-29)

Tradex has been marketed to firms as being able to improve their cash flow, and reduce the amount of work associated with compliance. The majority of respondents indicate that both of these characteristics are significant influences on their choice of mechanism.

The importance of the CBFFs to the scheme should not be discounted as they are used by 93 per cent of Tradex order holder respondents to facilitate their import/exports. CBFFs indicate they want to know more about the scheme, and many of their comments suggest that their understanding of Tradex could be improved.

Only a quarter of CBFFs “often” or “always” recommend Tradex to their eligible clients. Those that do recommend the scheme cite its ease of use and the cash flow benefit as their main reasons for recommending it to clients.

Customs brokers and freight forwarders are central to firms choosing Tradex. If they do not have accurate information about the scheme, they may mistakenly dissuade potential users of the scheme for whom Tradex would have been the most appropriate mechanism to receive concession.

Increasing the awareness of the scheme in Customs officials will contribute to minimising the instances of delays in processing Tradex consignments and the increased costs associated with these delays.

Finding: Efficiency

* CBFFs are centrally important to firms’ choice of concession mechanism.
* CBFFs identify that they would benefit from improving their understanding of Tradex.
* Customs officials have varying levels of awareness of the Tradex Scheme, which can be an impediment to its efficiency.

Recommendation 3: Efficiency

* Improve the level of awareness and understanding of Tradex amongst Customs brokers and freight forwarders, and Customs officials.

### Though the administrative burden of Tradex is generally considered low, it can deter some firms from using the scheme

Though the majority of respondents agree that Tradex is easy to use, and has reduced their costs of compliance, there is an undercurrent of firms (less than 5 per cent) that find the required reconciliation of goods consumed in Australia prohibitively onerous. These firms tend to have more intricate business models, or only import/export small volumes, and find the administrative burden great enough to dissuade them from using Tradex. This is echoed in the opinions of CBFFs, half of whom cite the administrative burden and/or record-keeping associated with the scheme as a significant deterrent for eligible clients not using the scheme, especially as this requirement is largely absent from FTAs.

Further, Tradex has left some users feeling they had incurred increased compliance costs when the scheme was used incorrectly by CBFFs, Customs officials or a combination thereof.

Box 6.2: Tradex order holder views on Tradex’s administrative burden.

| *We were forecasting that we would have more exports but the amount of exports we have done was not worth the Administration for Tradex. (Turnover $2m-$10m, of which 0%-25% is import/export, employing 20-199)**We have substantially reduced our use of Tradex as we move more from the International to Domestic market. We have a wide range of products and styles and the increased amount of admin work to monitor/report is now outweighing the benefit of Tradex (Turnover less than $2m, of which 76%-100% is import/export, employing 1-4)**Using Tradex Scheme is very effective with our cash flow. However for about last 5 years our imports/exports are done within less than 6 months hence no Tradex required.(Turnover $2m-$10m, of which import/export is76%-100%, employing 5-19)* |
| --- |

Source: Survey of Tradex order holders

Most CBFFs estimated that less than 25 per cent of their eligible clients use the scheme. Two factors appear to have influenced this low uptake: a lack of firms’ awareness of the scheme, and a persistent perception among those not using the scheme that the benefit of Tradex was not commensurate with its administrative burden.

Finding: Efficiency

* There is a perception that the application process and reporting requirements (when compared to FTAs) deter firms from using Tradex.

### Approximately half of Tradex orders are inactive

Once a Tradex order is approved and issued, it remains active until revoked. Revocation may occur as a result of a request by the holder, or the result of a decision by the Secretary. The Tradex order holder is obliged to notify the Secretary of changes to their eligibility to use the scheme. Further, if the Tradex order holder is not contactable, then their Tradex order may be revoked.

The Tradex CRM shows that at least a quarter of the requests for revocations are a result of AusIndustry initiating contact with the Tradex order holder after years of the Tradex order not being used. A large number of Tradex order holders become uncontactable when the individual ceases employment with the importing firm. Further, the ongoing status of Tradex orders reduces the transparency of the number of active Tradex users, and may lead to artificially high numbers being reported against this key performance indicator.

Finding: Efficiency

* The perpetual nature of Tradex orders has resulted in approximately half of existing Tradex orders being inactive.

Recommendation 4: Efficiency

* Modernise the application process.

# Integration

This evaluation also considered the scope for greater integration among the government agencies delivering concessions from Customs duty and GST.

While collaboration between AusIndustry and Customs was important during the early years of Tradex, the need has declined as the program has matured. Interviews with internal stakeholders revealed that improved systems—including automated daily updates from Customs’ ICS—have reduced the lag in requests for information. Collaboration has largely remained at this level. Customs has indicated that their main interaction with Tradex is simply to check that Drawback claimants have not obtained a Tradex exemption.

Interviews with key stakeholders outlined the challenge of determining the extent to which Tradex is reaching its target market with the data readily available. Improved integration with both Customs and ATO records would facilitate a more accurate and time-sensitive estimation of the number of firms that are eligible to use Tradex, as well as the proportion of those firms who choose to use the scheme.

The fact that firms generally agree that Tradex is easier to apply to and use than the Duty Drawback Scheme suggests that integrating the administration of these schemes may benefit users by allowing the respective advantages of each scheme to be duplicated. Uniting these schemes through one portal could increase firms’ and CBFFs’ understanding of their options. This is likely to make it easier for firms to select the most appropriate concession mechanism, and would also enable increased efficiency in the schemes’ delivery.

Finding: Integration

* The current level of integration between Tradex and the Department of Home Affairs is minimal, though this is appropriate for day-to-day operation.

# Program Performance

This evaluation considered the suitability of the scheme’s performance measures and the data used to inform them.

The objectives of the Tradex Scheme have broadly remained unchanged since the scheme’s initiation. Almost two decades later, however, the economy has changed. The potential benefits of the scheme to individual participants have reduced as tariff and interest rates have fallen. Other concession mechanisms, such as FTAs and Tariff Concession Orders have increased their market share. For this reason, any future iterations of the Tradex Scheme would benefit from its objectives being reconsidered to more accurately reflect and serve the economy in which the scheme operates.

The KPIs identified for Tradex are output-level indicators, obtained from program data. Limited information is available on the outcomes for firms receiving the concession. However, it seems likely that larger market forces, including changes in the exchange rate and the cost of freight to and from Australia, are likely to dwarf any outcomes attributable to Tradex alone.

There is a perception among Tradex stakeholders that any requirements for further reporting by Tradex order holders would increase the administrative burden associated with the scheme. However, some review of the KPIs seems desirable. In particular, the ability to determine, in collaboration with Customs, the proportion of eligible import/export activities applying Tradex, Duty Drawback and other mechanisms to avoid double taxation would enable the development of improved KPIs across the suite of mechanisms. This in turn would enable a more accurate portrayal of the contribution they make to the economy.

Finding: Performance assessment

* The objectives and KPIs would benefit from revision.

Recommendation 5: Performance assessment

* Review the KPIs and objectives of the scheme.

# Conclusion

This evaluation aimed to evaluate the effectiveness of Tradex in achieving its objectives, the efficiency with which it is delivered, and the extent to which the objectives of Tradex might be enhanced.

The evaluation found that the scheme is efficiently delivered and benefits its participants through improving their cash flow and reducing the cost of compliance with Customs obligations. The evaluation raises the prospect of unifying concession mechanisms available to firms under one body to improve their efficiency and promote a better understanding of the options available to their potential clients.

Australia has a suite of arrangements to avoid double taxation and as the economy changes, their relative usefulness may change. In the face of the growing number and breadth of Free Trade Agreements, Tradex appears to remain a mechanism of choice for a small niche of firms. Implementing the recommendations listed in this report will position Tradex well to further its contribution to Australia’s economy.

# Appendices

###### Excerpt from Terms of Reference

## Evaluation questions

### Effectiveness

**An overview of the effectiveness of the program, focussing on how it could be improved.**

1. To what extent does Tradex have clear and consistent objectives?
2. How is Tradex performing against its objectives and key performance indicators?
3. To what extent is the Tradex upfront duty and GST exemption an effective method of achieving the program objectives? Does it achieve value for money to the Commonwealth and to businesses?
4. Are there any unintended consequences (positive or negative) of the scheme?

### Efficiency

**An overview of the efficiency of the scheme, focussing on how it could be improved.**

1. To what extent is the scheme being delivered efficiently?

### Integration

**An overview of whether the policy objectives of the scheme are, should be or can be delivered through government agencies working together.**

1. To what extent is the split between Tradex and Duty Drawback Scheme suitable?
2. To what extent would the objectives be enhanced by integrating the administration of these mechanisms?
3. How was it envisaged that Tradex would work alongside other duty-exemption mechanisms to achieve long term outcomes?

### Performance Assessment

**An overview of the extent to which the program has incorporated regular and robust performance assessment and measurement.**

1. Are the key performance indicators and methodology of estimation appropriate for this scheme?
2. Is it clear how the effectiveness of the scheme will be measured? Does the scheme have sound data collection and interpretation methodologies?

Image 10.1: Governance structure of Tier One and Tier Two evaluations conducted by the Evaluation Unit

| Figure 5 depicts the governance structure for Tier One and Tier Two evaluations conducted by the Evaluation Unit. The Reference Group provides oversight to the evaluation which is independently conducted by a team of evaluators. The evaluation report is signed off by the Office of the Chief Economist, before progressing to the department’s Executive Board for endorsement and dissemination to stakeholders. |
| --- |

Notes: Notes: EB Executive Board; GM General Manager; IEB Insights and Evaluation Branch; PAC Program Assurance Committee; RG Reference Group; SES Senior Executive Service

Source: Evaluation Strategy 2017-21

# Survey Questions

## Survey of Tradex order holders

Invitations to participate in an anonymous, online survey were sent on 20 December 2017 to 1133 Tradex order holders whose email addresses had been provided by the Tradex CRM. Discounting 255 “undeliverable” messages, the invitation was received by a total of 831 Tradex order holders.

The survey closed on 20January, having attracted 186 responses, which represents a 22 per cent response rate. Accordingly, the results of the survey can be considered as representative of the population.

| Do you agree to the Privacy Collection Statement?  |
| --- |
| Yes (Goes to About your business)  | No (Survey ends) |

| About Your BusinessWe would like to understand the characteristics of businesses who hold a Tradex Order. |
| --- |
| **How long has your business been operating?** | (Number of years) |
| **How long has your business been exporting?** | (Number of years) |
| **How long has your business been importing?** | (Number of years) |
| **What is the annual turnover range of your business?** | Less than $50,000 | $50,000 to less than $200,000 | $200,000 to less than $2m | $2m to $10m$ | 10m or more  | N/A |
| **Approximately, what proportion of the turnover of your business is represented by importing goods which are subsequently exported?** | 0% - 25% | 26% - 50% | 51% - 75% | 76% -100% | N/A |
| **How many people are employed by your business?**  | Non-employing | 1 - 4 | 5 - 19 | 20 - 199 | 200 or more |
| *In this question: "Employed by your business" means full time equivalent positions, casuals and contractors. “Non-employing" means sole proprietorships and partnerships without employees* |
| **Which of the following, if any, do you use to facilitate your imports and exports? (Select all that apply)** | None  | Customs Brokers  | Freight Forwarders  | Accountants  | Other (Please list) |
| **Have you used your Tradex Order to gain up-front exemption from Customs duty and/or GST on goods that are imported and then exported?** | Yes (Goes to About You and Customs Duty and GST schemes) | No (goes to About You Using Tradex) |  |

| About You and Customs Duty and GST schemesWe would like to know which schemes you may have considered using to help you import goods which will subsequently be exported. |
| --- |
| **Other than the Tradex Scheme, do you know of any concession mechanisms for importer/exporters?** | Yes (Goes to About Using Tradex and Other Mechanisms)□ | No (Goes to About You Using Tradex) □ |  |
| **How influential are the following in your decisions about which Customs Duty and GST exemption scheme(s) to use?**  |
|  | Not at all influential | Slightly influential | Somewhat influential | Very influential | Extremely influential |
| The availability of upfront concessions | □ | □ | □ | □ | □ |
| The level of administrative burden | □ | □ | □ | □ | □ |
| **How influential are the following information sources in your decisions about which Customs Duty and GST exemption scheme(s) to use?** |
|  | Not at all influential | Slightly influential | Somewhat influential | Very influential | Extremely influential |
| Customs brokers and/or freight forwarders | □ | □ | □ | □ | □ |
| Industry bodies | □ | □ | □ | □ | □ |
| Other businesses' practices | □ | □ | □ | □ | □ |
| Government websites/marketing | □ | □ | □ | □ | □ |
| Corporate knowledge/existing practices | □ | □ | □ | □ | □ |
| Other sources (please list) | □ | □ | □ | □ | □ |
|  | □ | □ | □ | □ | □ |

| About You Using TradexWe are asking you these questions because you applied for a Tradex Order, even if you have not used it yet. We would like to know what the process is like for businesses. |
| --- |
| **How do you feel about the amount of work in applying to, and using the Tradex Scheme?** |
|  | Strongly Disagree | Disagree  | Neither  | Agree | Strongly Agree |
| Applying for a Tradex Order is easy | □ | □ | □ | □ | □ |
| Using Tradex when importing goods is easy | □ | □ | □ | □ | □ |

| About Using Tradex and Other MechanismsWe would like to know how you prefer to receive concession for Customs Duty and exemption from up-front payment of GST on goods that are imported and subsequently exported. For the following questions, please select all that apply. |
| --- |
| **Which of these mechanisms have you used to:** |
|  | Tradex Scheme | Duty Drawback Scheme | Free Trade Agreements | Other (Please list) | None (if none, why not) |
| **Receive concession for Customs Duty**? | □ | □ | □ | □ | □ |
| **Receive exemption from up-front payment of GST?** | □ | □ | □ | □ | □ |
| **If you stopped using any of these mechanisms at any point, please indicate which mechanism and why.** | (Free text) |
| **How do you feel about the amount of work involved in APPLYING TO the Tradex Scheme?** |
| **To what extent do you agree with these statements?** | Disagree strongly | Disagree  | Neither agree nor disagree | Agree | Agree strongly | N/A |
| Applying for a Tradex Order is easy. | □ | □ | □ | □ | □ | □ |
| Tradex is easier to apply to than the Duty Drawback Scheme | □ | □ | □ | □ | □ | □ |
| Tradex is easier to apply to than the Deferred GST Scheme | □ | □ | □ | □ | □ | □ |
| Tradex is easier to apply to than Free Trade Agreements | □ | □ | □ | □ | □ | □ |
| **How do you feel about the amount of work involved in using the following schemes?** |
| **To what extent do you agree with these statements?** | Disagree strongly | Disagree | Neither agree nor disagree | Agree | Agree strongly | N/A |
| Using the Tradex Scheme is easy. | □ | □ | □ | □ | □ | □ |
| Tradex is easier to use than the Duty Drawback Scheme | □ | □ | □ | □ | □ | □ |
| Tradex is easier to use than the Deferred GST Scheme | □ | □ | □ | □ | □ | □ |
| Tradex is easier to use than Free Trade Agreements | □ | □ | □ | □ | □ | □ |

| About Your Business and TradexWe would like to know what using Tradex means for your business. |
| --- |
| Using Tradex has improved the cash flow of your business | Disagree strongly  | Disagree  | Neither agree nor disagree  | Agree  | Agree strongly  |
| □ | □ | □ | □ | □ |
| What have been the effects of this on your business? | (Free text) |
| Using Tradex has reduced the cost of complying with Customs and GST requirements | Disagree strongly | Disagree  | Neither agree nor disagree | Agree | Agree strongly |
| □ | □ | □ | □ | □ |
| Please explain why you feel this way | (Free text) |
| Using Tradex has increased the international competitiveness of your exports | Disagree strongly | Disagree | Neither agree nor disagree | Agree | Agree strongly |
| □ | □ | □ | □ | □ |
| Please explain why you feel this way | (Free text) |
| Using Tradex has changed your import/export activities | Disagree strongly | Disagree | Neither agree nor disagree | Agree | Agree strongly |
| □ | □ | □ | □ | □ |
| Please explain why you feel this way | (Free text) |
| **Has using the Tradex Scheme had any other effects on your business? Please describe them** | (Free text) |
| If **you have more to tell us about your experiences of using Tradex, please do so here.** | (Free text) |
| If you would be happy for a member of the Evaluation Unit to contact you to discuss any of your responses in more detail, please provide your email address below.  | Email |

| Why you have not used your Tradex OrderThere some businesses that have applied for a Tradex Order, but are yet to use it. We would like to know why that is. |
| --- |
| **Please describe why you applied for a Tradex Order.** | (Free text) |
| **Please describe why you have not yet used your Tradex Order.**  | (Free text) |
| **If you would be happy for a member of the Evaluation Unit to contact you to discuss your responses, please provide your email below.** | (Free text) |

## Survey of Customs Brokers and freight forwarders

CBFFs were also invited to participate in a survey. Interviews with internal stakeholders had indicated their importance to the Tradex scheme and initial analysis of the Tradex order holder survey further underscored their role.

Contact details for 320 CBFFs were gathered from the *Customs Broker and Forwarders Council of Australia’s* list of members[[29]](#footnote-30). Invitations were sent to all 320 on 6 February 2018, of whom 34 responded. Allowing for ‘undeliverable’ messages, this represents a response rate of 11 per cent.

| About your firmWe would like to know about your firm's interaction with the Tradex Scheme. |
| --- |
| **1. Do you agree to the Privacy Statement?**  | **Yes** | **No (Exits survey)** |
| **2. How many of your firm's clients are eligible to use the Tradex Scheme?** |  |  |  |  |  |
| **3. What proportion of these clients use Tradex?** |  |  |  |  |  |
| **4. Approximately, how many import declarations does your firm process annually**? | Import declarations | Tradex Scheme | Duty Drawback | Free Trade Agreements | Other mechanisms, such as Tariff Concession Orders |
| **5.** **To receive a concession on paying Customs duty, your clients generally prefer to use:** |
|  | Strongly disagree  | Disagree | Neither agree nor disagree | Agree | Strongly agree |
| Tradex Scheme | □ | □ | □ | □ | □ |
| Duty Drawback Scheme | □ | □ | □ | □ | □ |
| Free Trade Agreements | □ | □ | □ | □ | □ |
| Other Mechanisms (such as Tariff Concession Orders) | □ | □ | □ | □ | □ |
| A combination of mechanisms | □ | □ | □ | □ | □ |
| What, if anything, deters clients from using the Tradex Scheme? | □ | □ | □ | □ | □ |
| **6.** **Over the past 5 to 10 years, the proportion of your clients using the following concession mechanisms has:** |
|  | Decreased | Slightly decreased | Been stable | Slightly increased | Increased |
| Tradex Scheme  | □ | □ | □ | □ | □ |
| Duty Drawback,  | □ | □ | □ | □ | □ |
| Free Trade Agreements | □ | □ | □ | □ | □ |
| Tariff Concession Orders / Other mechanisms | □ | □ | □ | □ | □ |
|  | □ | □ | □ | □ | □ |

| About your clients' decisionsWe would like to know what influences your clients' choice of concession mechanism for goods that are imported and subsequently exported. |
| --- |
| **7. In your view, how influential are the following sources of information in your clients' decisions?** |
|  | Not at all influential  | Slightly influential | Somewhat influential  | Very influential | Extremely influential  |
| Upfront concessions are available  | □ | □ | □ | □ | □ |
| The level of administrative burden they face | □ | □ | □ | □ | □ |
| **8. In your view, how influential are the following sources of information in your clients' decisions?** |
|  | Not at all influential  | Slightly influential | Somewhat influential  | Very influential | Extremely influential  |
| Customs brokers and/or freight forwarders  | □ | □ | □ | □ | □ |
| Industry bodies  | □ | □ | □ | □ | □ |
| Other businesses' practices  | □ | □ | □ | □ | □ |
| Government websites/marketing  | □ | □ | □ | □ | □ |
| Corporate knowledge/existing practices  | □ | □ | □ | □ | □ |
| Other (Please list) | □ | □ | □ | □ | □ |
| **9. How often do you recommend Tradex to eligible clients who are not using it?** |
|  | Never  | Rarely | Sometimes | Often | Always |
| **10. Why is that?** | (open text) |  |  |  |  |

| About you and the Tradex SchemeWe would like to know how easy you find the Tradex Scheme to use. |
| --- |
| **11. How do you feel about the amount of work involved in APPLYING TO the Tradex Scheme?** |
|  | Strongly disagree  | Disagree  | Neither agree nor disagree  | Agree | Strongly agree | N/A |
| Applying for a Tradex order is easy | □ | □ | □ | □ | □ | □ |
| Tradex is easier to apply to than the Duty Drawback Scheme | □ | □ | □ | □ | □ | □ |
| Tradex is easier to apply to than Free Trade Agreements | □ | □ | □ | □ | □ | □ |
| Tradex is easier to apply to than other mechanisms (such as Tariff Concession Orders) | □ | □ | □ | □ | □ | □ |
| **12. How do you feel about the amount of work involved in USING the Tradex Scheme?** |
|  | Strongly disagree  | Disagree  | Neither agree nor disagree  | Agree | Strongly agree | N/A |
| Using Tradex is easy | □ | □ | □ | □ | □ | □ |
| Tradex is easier to use than the Duty Drawback Scheme | □ | □ | □ | □ | □ | □ |
| Tradex is easier to use than Free Trade Agreements | □ | □ | □ | □ | □ | □ |
| Tradex is easier to use than other mechanisms (such as Tariff Concession Orders) | □ | □ | □ | □ | □ | □ |
| **13. Please provide comments or suggestions which you believe would help make the Tradex Scheme more effective and/or easy to use.** |  (open text) |
| **14. If you would be happy for a member of the Evaluation Unit to contact you to discuss any of your responses in more detail, please provide your email address below** |  |

1. <http://www.wcoomd.org/en/topics/facilitation/instrument-and-tools/conventions/pf_revised_kyoto_conv/kyoto_new/spanf.aspx> Annex F, Chapter 3, Paragraph 3 [↑](#footnote-ref-2)
2. Figures include total concession awarded including substantial outlying firms. Refer to section 5.2 of this report for an analysis of total concession awarded excluding outliers. [↑](#footnote-ref-3)
3. A Tradex revocation occurs when the Tradex order holder is no longer eligible for up-front exemption from Customs duty and GST under the Tradex Scheme for reasons including changes in the firm’s importing and exporting practices. [↑](#footnote-ref-4)
4. [*Tradex Scheme Act 1999*](https://www.legislation.gov.au/Details/C2017C00053) *Part 1.3* [↑](#footnote-ref-5)
5. <http://www.wcoomd.org/en/topics/facilitation/instrument-and-tools/conventions/pf_revised_kyoto_conv/kyoto_new/spanf.aspx>, Specific Annex F, Chapter 3, paragraph 3, *“National legislation should include provision for the application of the drawback procedure in cases where the goods which have borne import duties and taxes have been replaced by equivalent goods used in the production of exported goods.”* [↑](#footnote-ref-6)
6. <https://business.gov.au/grants-and-programs/tradex-scheme> [↑](#footnote-ref-7)
7. Excise Equivalent Goods are alcohol, tobacco, fuel and petroleum products. [↑](#footnote-ref-8)
8. <https://www.legislation.gov.au/Details/C2004B00554/Explanatory%20Memorandum/Text> p.5 [↑](#footnote-ref-9)
9. <http://parlinfo.aph.gov.au/parlInfo/search/display/display.w3p;query=Id%3A%22chamber%2Fhansards%2F1999-11-26%2F0066%22> [↑](#footnote-ref-10)
10. Department of Industry, Innovation and Science [↑](#footnote-ref-11)
11. <http://parlinfo.aph.gov.au/parlInfo/download/legislation/ems/r937_ems_f48ea5f5-bc61-448b-8a3b-aadd9829968b/upload_pdf/26547d.pdf>, p.7 Implementation and Review [↑](#footnote-ref-12)
12. [https://www.ag.gov.au/LegalSystem/AdministrativeLaw/Documents/guide-to-managing- sunsetting-of-legislative-instruments-december-2016.pdf](https://www.ag.gov.au/LegalSystem/AdministrativeLaw/Documents/guide-to-managing-sunsetting-of-legislative-instruments-december-2016.pdf) section 1.2 [↑](#footnote-ref-13)
13. [ABS Cat. no. 5204.0, Table 5](http://www.abs.gov.au/AUSSTATS/ABS%40Archive.nsf/log?openagent&5204005_gva_by_industry.xls&5204.0&Time%20Series%20Spreadsheet&C67F97E2C1140A41CA2581C500149DC6&0&2016-17&27.10.2017&Latest) [↑](#footnote-ref-14)
14. [ABS Cat. no. 5204.0, Table 2](http://www.abs.gov.au/AUSSTATS/ABS%40Archive.nsf/log?openagent&5204002_expenditure_on_gdp.xls&5204.0&Time%20Series%20Spreadsheet&4FD5EB3B22B0143DCA2581C500149D14&0&2016-17&27.10.2017&Latest) [↑](#footnote-ref-15)
15. [ABS Cat. no. 5368.0, Table 32a](http://www.abs.gov.au/ausstats/meisubs.NSF/log?openagent&5368032a.xls&5368.0&Time%20Series%20Spreadsheet&2100164885335CFBCA258281001CDE6E&0&Mar%202018&03.05.2018&Latest) for 2016-17 calculations using ANZIC 2006 and [ABS Cat. no. 5368.0, Table 32b](http://www.abs.gov.au/ausstats/meisubs.NSF/log?openagent&5368032b.xls&5368.0&Time%20Series%20Spreadsheet&9D89AB388741C1E1CA258281001CDEDC&0&Mar%202018&03.05.2018&Latest) for 1999-00 calculations using ANZIC 1993 [↑](#footnote-ref-16)
16. Tradex eligibility criteria state that “goods may be processed or treated then exported, or incorporated in other goods which are exported.” [↑](#footnote-ref-17)
17. For example, <http://reports.weforum.org/global-competitiveness-report-2015-2016/competitiveness-rankings/> [↑](#footnote-ref-18)
18. <http://reports.weforum.org/global-competitiveness-report-2015-2016/appendix-a-measurement-of-key-concepts-and-preliminary-index-structure/> [↑](#footnote-ref-19)
19. [ABS Cat 6291.0.55.003 Table 4: Labour Force, Australia, Detailed, Quarterly, Nov 2018](http://www.abs.gov.au/AUSSTATS/ABS%40Archive.nsf/log?openagent&6291004.xls&6291.0.55.003&Time%20Series%20Spreadsheet&37FCBB9443794081CA25836900763FBA&0&Nov%202018&21.12.2018&Latest)  [↑](#footnote-ref-20)
20. <https://www.industry.gov.au/innovation/InnovationPolicy/Research-and-development-tax-incentive/Documents/Research-and-development-tax-incentive-review-report.pdf> Page 26 [↑](#footnote-ref-21)
21. See for example: <https://www.homeaffairs.gov.au/ReportsandPublications/Documents/annual-reports/ACBPS_AR_2012-13.pdf#page=67> [↑](#footnote-ref-22)
22. See for example: <https://www.homeaffairs.gov.au/ReportsandPublications/Documents/annual-reports/ACBPS_AR_2013-14.pdf#page=60> [↑](#footnote-ref-23)
23. See for example: <https://www.homeaffairs.gov.au/ReportsandPublications/Documents/annual-reports/annual-report-full-2015-16.pdf#page=280> [↑](#footnote-ref-24)
24. Defined by ABS as “*Goods originally imported into Australia which are exported in either the same condition in which they were imported, or after undergoing some minor operations (e.g. blending, packaging, bottling, cleaning and sorting) which leave them essentially unchanged*.” [↑](#footnote-ref-25)
25. 5368.0 - International Trade in Goods and Services, Australia, Feb 2018, [Table 36j](http://www.abs.gov.au/ausstats/meisubs.nsf/log?openagent&5368036j.xls&5368.0&Time%20Series%20Spreadsheet&18096DB9E3FE669ECA25826500153901&0&Feb%202018&05.04.2018&Latest), MERCHANDISE EXPORTS, Re-exports, by Country and Country Groups, FOB Value [↑](#footnote-ref-26)
26. <https://pmtranscripts.pmc.gov.au/release/transcript-10620> [↑](#footnote-ref-27)
27. <https://www.homeaffairs.gov.au/ReportsandPublications/Documents/annual-reports/complete-annual-report-2016-17.pdf>, p.39Department of Immigration and Border Protection, Annual Report 2016-17, Performance Statements, p.39 [↑](#footnote-ref-28)
28. The average score for “The availability of upfront concessions” from both Tradex order holders and CBFFs was 3.8, indicating a level of “Very influential”. The average scores for “The level of administrative burden” from both Tradex order holders (3.4) and CBFFs (3.6) sit between “Very influential” and “Somewhat influential”. The average scores for “Advice from CBFFs” was much higher from CBFFs (4.4, sitting between “Very influential” and “Extremely influential”) than Tradex order holders (3.2, equating to “Somewhat influential”). [↑](#footnote-ref-29)
29. <http://www.cbfca.com.au/CBFCA/About_CBFCA/Member_Directory/CBFCA/About/Member_Directory.aspx> [↑](#footnote-ref-30)