



Ministry for Primary Industries Manatū Ahu Matua

CASE STUDY:

MINISTRY OF PRIMARY INDUSTRIES

INDUSTRY:

Agriculture
Government

COUNTRY:

New Zealand

B2BE SOLUTIONS:



EDI

AT A GLANCE

BUSINESS OBJECTIVE

The Ministry needed to streamline and bring greater efficiencies to New Zealand's import certification process.

BUSINESS BENEFITS

Electronic processing has cut approval time by one third, significantly reduced use of consumables, and has eased administrative demand on both importers and MPI.

MPI Streamlines Import Processes with B2BE's Electronic Messaging

The import certification process has become significantly more efficient for all parties following implementation of B2BE's trade messaging solution.

Compared to many countries New Zealand has been extremely lucky when it comes to introduced pests and diseases. Or perhaps more accurately, it learnt its lessons early and has managed its environment carefully and well ever since.

Despite a mobile population, globalisation of trade and the consequent increase of imports, New Zealand continues to successfully keep serious animal and agricultural diseases at bay.

It's a valid concern for a country in which agriculture plays a major economic and emotional role. The Reserve Bank, for example, has estimated that should New Zealand experience a foot and mouth outbreak it could cost the economy \$10 billion and would put thousands of jobs at risk.

The role of coordinating biosecurity defences and keeping out such unintended pests and diseases belongs to the Ministry for Primary Industry (MPI) - which was previously called MAF - and it's agency Biosecurity New Zealand. Amongst its many roles, MPI ensures that every item imported into New Zealand meets stringent standards requirements and, where necessary, is inspected or receives a Biosecurity Authority Clearance Certificate (BACC).

Drowning In Documentation

Until recently that certification was achieved by faxing a very large quantity of paperwork – sometimes up to 100 pages of forms and supporting documentation – to the agency. Much of the data would have already been submitted electronically to the New Zealand Customs Service, yet there was limited coordination of data between the two organisations. Manual processing took time and delayed clearance, even with small items such as express freight. It was a frustratingly cumbersome and slow process for industry.

As Rosemarie Dawson, chief executive officer of the industry

body, Customs Brokers and Freight Forwarders Federation (CBAFF) explains: "The fax system gave no acknowledgement of receipt of a submission and that meant uncertainty for the brokers. In turn, this resulted in applications being faxed more than once. It was a situation that created opportunities for delays and confusion."

For MPI too, the system had its failings. It was resource intensive, eating up consumables and demanding container loads of storage space for all the documentation. Highly-trained officers had to manually process and re-key thousands of applications. The paper-based system made it difficult to separate straightforward applications from high risk import requests.

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Moreover, the New Zealand government was keen to encourage closer work between all border security agencies including MPI Biosecurity New Zealand, the New Zealand Customs Service and New Zealand Food Safety Authority. It wants to create a "single window" view for customers offering similar application lodgement processes that would remove duplication of data and effort. In short, it was looking for ways to better facilitate trade.

Staying Responsive To Industry

MPI knew it had to act. For some time CBAFF, on behalf of its members, along with numerous individual companies had been lobbying the organisation to replace the fax system with an electronic gateway service similar to the one built by B2BE (formerly known as The ECN Group) for Customs nine years earlier. That system had introduced electronic customs lodgements through the development of interfaces with customs brokers, freight forwarders, sea and carriers, terminal operators, exporters and importers. Its EDI-style messaging had delivered speed and efficiency benefits which the industry was now keen to see applied to dealings with MPI.

In early 2008 B2BE was commissioned to create a new biosecurity messaging system, one that would enable MPI staff to receive electronic applications without having to first print them, to perform risk assessments and save data into MPI databases, and to electronically provide BACC responses to the industry.

Over the next six months B2BE worked closely with MPI, its IT development partner Fronde, and CBAFF to create the messaging service. B2BE also consulted extensively with brokers, importers and their software providers to provide the messages that MPI requires to assess the risk of imported goods efficiently.

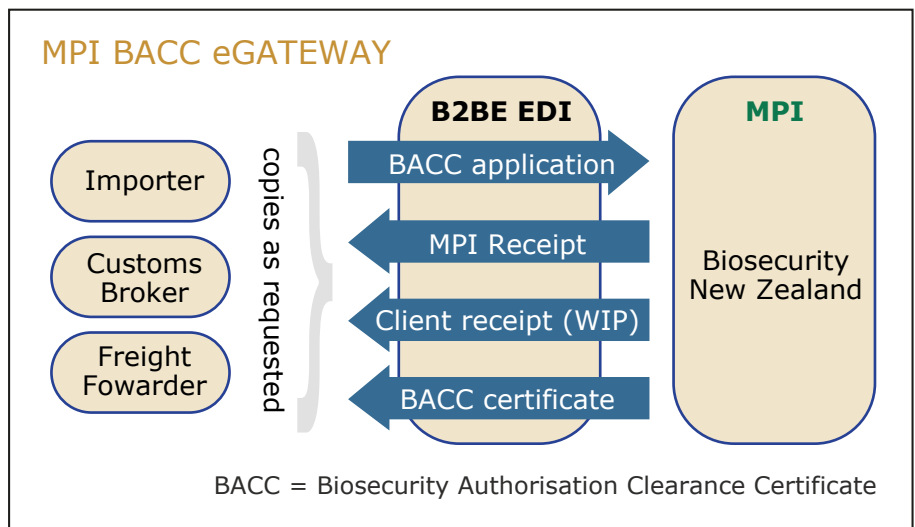
Tim Pardy, IM service delivery team manager - Border Clearance, MPI Biosecurity New Zealand comments: "Business-to-business technologies had developed to a stage where they were sufficiently robust and capable of dealing with the structured and unstructured data that we required. The time was right to be able to put in a quality solution.

worked well together."

Now when an importer brings goods into the country and needs to submit forms to MPI, they can simply send a single XML electronic message to B2BE via the same data connection as is currently used for Customs messaging. An automatic receipt ensures that the importer knows their submission has arrived at MPI and automated alerts keep them informed of progress as the submission passes through to approval.

A dedicated, managed data circuit links B2BE to MPI. B2BE logs and stores copies of each message before passing them to the recipient.

At the back end, MPI and Fronde



A Streamlined Process

In mid-2008 MPI unveiled the new system. Pardy notes: "It was a good project that came in under budget, on time and which was delivered with a high level of quality. MPI, B2BE and Fronde all

developed a workflow solution that receives each application, displaying them along with supporting documentation. The workflow makes risk assessment much faster and more accurate, and for the first time supports streaming of applications based on complexity, geographic location and availability of MPI resources.

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As with any messaging service the system requires changes to a broker's software so that messages can be produced and received in the output format specified by MPI and B2BE.

Pardy says: "There are twenty main providers of freight management software that will need to make these changes. We anticipate that all of the industry will be using the system within twelve months."

In August MPI announced that

freight and delivery giant FedEx was leading the way and had become the first company to establish the electronic messaging connection.

Accuracy, Efficiency, Certainty

The system is expected to deliver significant savings when it comes to MPI's consumables bill.

"We use over one million sheets of paper per year and the B2BE system will largely eliminate this," says Pardy.

"Standard processing time has been cut by one third and we now have flexibility to share the workload so that staff anywhere can work on an application."

Prior to this it was only possible to work on an application in the office where the fax had been received.

Dawson welcomes the new system, foreseeing greater accuracy and more efficiency for CBAFF members. "It's all about an end-to-end seamless documentation process, capturing the data once."

Pardy agrees. "We've made the move from fax to EDI, and are creating closer alignment between border agencies. We're decreasing the pain for industry and our staff and the next step will be the design of a trade single window," he says.

"New Zealand's imports grow at five percent per annum. As a country we are heavily reliant on them. Any improvement in import efficiency is going to impact positively on the supply chain."

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