The Global Language of Business

23 December 2025
The Hon Dr Jim Chalmers MP
Treasurer of Australia
Parliament House
Canberra ACT 2600

Attention: Pre-Budget Submissions Team

Re: Productivity, Digitalisation of Supply Chains and National Competitiveness

Australia's productivity challenge is increasingly a supply-chain, data and regulatory-coordination challenge. Independent analysis by the Centre for International Economics (CIE) demonstrates that the use of global, interoperable supply-chain data standards **already delivers between $19–27 billion in annual economic value** to Australia, with a further $36–50 billion in potential productivity uplift available through broader adoption across industry, trade and government systems.

This submission builds directly on those findings, has been shared with, and draws on advice from **many (>20) peak bodies and industry associations**. It outlines a small number of practical, action-oriented reforms that would **help translate proven productivity benefits into economy-wide outcomes by reducing regulatory complexity**, aligning national approaches, and accelerating digitalisation across Australian supply chains.

A consistent theme across industry is fragmentation. Product labelling, traceability and data requirements are being introduced incrementally by different regulators, often without coordination across product categories or jurisdictions. **No single agency has responsibility for ensuring national coherence**. The result is duplication, unnecessary compliance cost, slower digital adoption and lost productivity.

Building on related submissions to the Australian Productivity Commission, we encourage Treasury to consider a coordinated, **whole-of-government approach** focused on:

- A harmonised and standards-based approach to the digitisation of Australian supply chains.
- Simplification of regulation to remove barriers to digital labelling (via QR codes) and data reuse
- Working through industry associations and peak bodies to deliver scalable, sector-led adoption
- Using procurement, grants and tax settings to send clear market signals that incentivise and reward productivity-enhancing digital investment

The proposals outlined are deliberately pragmatic. They draw on existing industry capability, internationally recognised standards and proven policy levers. Taken together, **they support the core pillars of productivity**: reducing regulatory burden, lifting firm-level capability, improving market signals and enabling Australia to compete confidently in increasingly digital global markets.

We would welcome the opportunity to discuss these ideas further and to support Treasury and implementing agencies in shaping a nationally coordinated pathway that delivers measurable productivity and competitiveness gains for Australian industry.

Yours sincerely,

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Pre-Budget Submission – GS1 Australia

Productivity, Digital Supply Chains & Paperless Trade

Australia's productivity challenge is increasingly a **data and digital** supply-chain problem. **Global markets are digitising** rapidly through digital labelling, e-documentation, and interoperable supply-chain data. Without targeted government support, Australian manufacturers, exporters and retailers **risk falling behind.** Independent research[1] shows that the use of global supply chain data standards increases economic output, productivity, competitiveness and export revenue.

A **coordinated national approach** can lift competitiveness and productivity, reduce complexity and cost, unlock circular-economy benefits, and position Australian industry to meet new global market access requirements.

This submission outlines **five priority interventions**, each framed around a clear problem, evidence base, and a clearly defined and costed ask:

1. Support the **use of global standards** (simplify regulations) in industry policy
2. Ensure regulations don't prohibit standards usage - especially **digital product labelling**
3. Raise **industry capacity/readiness** - fund training and awareness programs
4. Provide **grants and tax relief** - to support digital transformation (equip & systems)
5. **Procurement** – make standards for interoperability (productivity uplift) a requirement.

Summary of Asks

As outlined in the following pages

1. Use of Global Standards for Supply-Chain Data	Make international **data interoperability a national policy default** across supply chains and paperless trade. Fund industry adoption programs through peak bodies and uplift national location registry infrastructure to support all Australian businesses.	$12–15M over 3 years
2. Digital Labelling Reform	Undertake a national **review of product-labelling regulation** to harmonise agency guidance and formally recognise digital labelling as a compliant option where appropriate. **Fund sector-specific cost–benefit studies** commencing with healthcare.	$3-5 M over 3 years
3. Digital Supply-Chain Capacity Uplift	Establish a **Supply Chain Digital Transformation or Accelerator Program** providing grants, tax relief and transformation support to SMEs and regional manufacturers investing in digital labelling, traceability and data systems.	$30–50M over 5–7 years
4. Skills & Capacity Uplift – Digital Trade	Create a joint government–industry **Digital Trade Innovation Vehicle** to accelerate paperless trade, interoperable documentation and standards-based data exchange.	$25–50M via public-private partnerships
5. Procurement – Market Signals for Productivity & Circularity	Introduce **procurement guidance** that preferences suppliers using verifiable, standards-based digital product and supply-chain data to support productivity and circular-economy outcomes.	Procedural

[1] https://www.thecie.com.au/publications-archive/the-impact-and-value-of-supply-chain-standards-on-the-australian-economy-a-whole-of-economy-analysis

1. Use of Global Standards for Supply-Chain Data

Problem

Australia becomes less competitive - and risks exclusion from major export markets - when industry and government create domestic-only data standards. This drives complexity, cost, and incompatibility across supply chains and borders.

Evidence

The **Centre for International Economics** finds that global data standards deliver **$19–27 billion** in annual economic value, with a further **$36–50 billion** available through broader adoption across supply chains, trade and government registries.

The Ask (Investment: $12–15 million over 3 years)

Make international data interoperability a **national policy priority**, starting with supply chains and paperless trade.

- Fund an industry awareness and adoption program through **4–5 peak bodies** ($2.5–3 million per year).
- Provide **$2-3 million per year** to uplift national location registry systems (across DAFF, DISR, transport and environment portfolios) through issuance and adoption of global location identifiers.

Example

Working with the infant and nursery products industry through their national association, manufacturers adopt internationally recognised product identification standards to consistently identify products across manufacturing, distribution and retail. This improves product traceability, enables faster and more targeted recalls, supports clearer safety information for parents, and ensures Australian suppliers align with international safety and conformity expectations in export markets.

Delivery Channels for Impact

Delivery would occur through established industry associations and peak bodies that are well placed to coordinate awareness, guidance and adoption programs at scale, ensuring consistency across supply chains while minimising duplication and compliance burden for individual businesses.

National Policy Alignment

This intervention supports national government priorities, including:

- **Productivity and regulatory efficiency** – reduces duplication, rework and compliance costs across industry and government
- **Consumer safety and trust** – strengthens traceability and recall effectiveness for regulated products
- **Trade facilitation and export competitiveness** – aligns Australian products with international data and market-access requirements
- **Digital economy and data reuse objectives** – supports “collect once, use many times” principles across agencies and supply chains

2. Digital Labelling Reform

Problem

Regulators continue to introduce new product-labelling requirements in isolation. Each change introduces cost ($2–5k per SKU for artwork, printing and compliance[2]), reduces competitiveness, and creates confusion - particularly where QR codes are encouraged without any coordinated framework.

Evidence

Manufacturers in food, healthcare and agriculture face overlapping domestic and international labelling requirements. Current guidelines in some agencies still prohibit or restrict digital labels, despite global movement toward multi-purpose, standards-based digital labelling.

The Ask (Investment: $2–3 million over 3 years)

Undertake a **national product-labelling regulation review**, including harmonisation of agency guidance and recognition of digital labelling as a compliant option where appropriate.

- Fund **sector-specific cost–benefit studies** in healthcare, upstream agriculture (including Australian Pesticides and Veterinary Medicines Authority), food and consumer goods to **quantify economic, environmental and consumer benefits** of multi-purpose digital labels.

Example

Working with **food and consumer-goods manufacturers** through their national associations, regulators recognise a standards-based digital label as a compliant supplement to on-pack information. Manufacturers use a single 2D barcode to provide safety, ingredient, usage and sustainability information digitally, reducing packaging re-design costs while improving consumer access to up-to-date product information.

Delivery Channels for Impact

Delivery would occur through established industry associations and peak bodies such as the **Australian Food and Grocery Council**, **Australian Industry Group**, and the **Australian Retailers Association**, working with sector-specific bodies across healthcare, agriculture and consumer goods. These channels enable consistent guidance to members and coordinated engagement with regulators.

National Policy Alignment

This intervention supports national government priorities, including:

- **Productivity and regulatory simplification** – reduces repetitive packaging and compliance costs
- **Consumer information and safety** – improves access to accurate, up-to-date product data
- **Digital economy and innovation** – enables scalable, standards-based digital information delivery
- **Environmental sustainability** – reduces packaging waste and re-printing impacts

[2] https://www.foodanddrinkbusiness.com.au/news/mondelez-head-calls-for-more-coordinated-approach-to-make-manufacturing-a-priority?utm_source=chatgpt.com

3. Digital Supply-Chain Capacity Uplift

Problem

Global supply chains are digitising rapidly, driven by requirements such as Digital Product Passports (EU and China), US FSMA traceability rules, sustainability reporting, and trade-finance transparency conditions. Australian businesses - **particularly SMEs** - often lack the systems and capability to meet these expectations.

Evidence

The **Centre for International Economics** highlights significant productivity and efficiency gains from digital supply-chain modernisation. At the same time, global financial institutions identify a growing trade-finance gap ($2.5T USD[3]) driven by insufficient supply-chain transparency, disproportionately affecting SMEs.

The Ask (Investment: $30–50 million over 5–7 years)

Establish an industry **supply chain digitalisation program or accelerator** providing:

- Grants for printers, scanners, digital labelling and traceability systems
- Tax relief or accelerated depreciation for digital supply-chain upgrades
- Preferential access to government procurement for suppliers using interoperable data standards
- Industry-led transformation support for SMEs and regional manufacturers

This should be complemented by **national property-identification reform** to support biosecurity, emergency response, future emissions reporting and new market-access requirements.

Example

A regional food processor receives grant support to upgrade label printers, scanners and traceability systems, allowing it to meet overseas market traceability and emissions-reporting requirements. The business retains export contracts, improves supply-chain visibility, and gains preferential access to government procurement opportunities.

Delivery Channels for Impact

Delivery would be coordinated through national industry associations and sector bodies, including the **Australian Industry Group**, **Australian Chamber of Commerce and Industry**, agribusiness and manufacturing associations, and regional industry networks. These organisations can identify priority cohorts, support adoption, and ensure consistent national rollout.

National Policy Alignment

This intervention supports national government priorities, including:

- **SME productivity and resilience** – improves firm-level digital capability
- **Supply-chain resilience and biosecurity** – enhances traceability and response readiness
- **Trade competitiveness** – supports compliance with emerging global requirements

[3] https://www.gtreview.com/news/global/trade-finance-gap-stabilises-at-us2-5tn/

4. Skills & Capacity Uplift – Digital Trade

Problem

Industry and government awareness of international digital-trade reform - including paperless trade, interoperability and structured data standards - remains limited. Progress on simplified trade reforms has been slow, with minimal impact for exporters and importers.

Evidence

While **Department of Foreign Affairs and Trade** and other agencies have prioritised trade facilitation, existing systems such as the Integrated Cargo System cannot deliver the end-to-end efficiency required to lift national productivity or support seamless digital trade. Customs regulatory sandboxes do not provide scope or latitude for necessary experimentation to effectively digitalise and transform trade processes.

The Ask (Investment: $25–50 million)

Establish a **Digital Trade Innovation Vehicle** - a joint government–industry initiative modelled on the US CBP Innovation Framework - to accelerate digital documentation, interoperability and paperless trade.

- Potential mechanism: a **Digital Trade Public Private Partnership** or Cooperative Research Centre involving multiple agencies, industry associations and standards bodies.
- Model in US Customs and Border Protection – **Business Transformation and Innovation**[4] and similar programs

Example

An exporter participates in a pilot that replaces paper export documents with interoperable digital records. Trade documentation is submitted once and reused across customs, logistics and finance providers, reducing delays, lowering transaction costs and improving access to trade finance.

Delivery Channels for Impact

Delivery would be coordinated through export-focused industry associations, logistics and freight bodies, and peak business organisations such as the **Export Council of Australia**, **ACCI** and/or **Australian Industry Group** and national exporter councils, working in partnership with relevant government agencies.

National Policy Alignment

This intervention supports national government priorities, including:

- **Simplified trade** – paperless trade
- **Trade facilitation and market access** – reduces friction at borders
- **Productivity and competitiveness** – lowers transaction costs for exporters
- **Digital government and interoperability** – modernises trade infrastructure
- **SME export growth** – improves access to global markets and finance

[4] https://www.cbp.gov/trade/automated/Innovation

5. Procurement – Market Signals for Productivity & Circularity

Problem

Australian industry lacks clear and consistent market signals to invest in digital, efficient and sustainable supply chains. Without government leadership through procurement, fragmented standards and weak demand slow productivity and circular-economy outcomes.

Evidence

Global peers are using procurement to drive change, including recycled-content mandates, embodied-carbon reporting and Digital Product Passport requirements. These approaches provide investor certainty and accelerate adoption of verifiable digital supply-chain data.

The Ask – Procedural changes: aligned with states and territories.

Introduce a **Government Procurement & Data Efficiency Policy** that preferences suppliers providing verifiable, standards-based digital product and supply-chain data.

- Encourage adoption of 2D barcodes/digital labels, interoperable identifiers and traceability systems
- Support circular-economy goals by enabling verification of recycled content, emissions and sustainable sourcing – use of national product registries via product stewardship programs.

Example

A building-products supplier secures government contracts by providing verifiable digital data on product origin, recycled content and emissions. This creates a clear commercial incentive for investment in efficient, transparent and lower-carbon supply chains.

Delivery Channels for Impact

Implementation would occur through procurement frameworks and supplier engagement led by government agencies, in collaboration with industry associations such as the **Australian Industry Group**, construction and manufacturing bodies, and the **Australian Retailers Association**.

National Policy Alignment

This intervention supports national government priorities, including:

- **Productivity and competition** – rewards efficient, data-enabled suppliers
- **Circular economy and sustainability** – verifies recycled content and emissions
- **Public value through procurement** – leverages government purchasing power
- **Digital transformation** – embeds verifiable data into supply-chain operations