National Audit Office

Report
by the Comptroller
and Auditor General

Cross-government

The UK border: preparedness for the end of the transition period

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Key facts

270m

HM Revenue & Customs (HMRC) estimate of the annual number of customs declarations it may be necessary to process from 2021, compared with current volumes of 55 million

40% to 70%

proportion of laden lorries travelling to the EU that will not be ready for EU customs requirements, under the government's reasonable worst-case scenario

£1.41bn

funding announced by government during 2020 to fund new border infrastructure and systems and wider support for the border industry

219.5 million	tonnes of freight that crossed the border between the UK and the rest of the EU in 2019, not including an unknown amount that crossed the border between Northern Ireland (NI) and Ireland
7,000	maximum number of lorries that may need to queue at the short Channel crossings under government's reasonable worst-case scenario
60% to 80%	percentage of normal flow of lorries at the short Channel crossings in the weeks following the end of the transition period, under the government's reasonable worst-case scenario

Summary

1 On 17 October 2019 the UK and the EU concluded the Withdrawal Agreement, establishing the terms of the UK leaving the EU. This was put into UK law by the Withdrawal Agreement Act in the UK Parliament on 21 January 2020. On 31 January 2020 the UK left the EU, no longer participating in the EU's decision-making, and entered a transition period. During this period, existing rules on trade, travel and business between the UK and the EU continue to apply.

2 The transition period is due to end on 31 December 2020, at which point the UK will cease to be part of the EU single market and customs union. From 1 January 2021 there will be changes in how the UK trades with the EU and in the customs, safety and regulatory checks required at the UK-EU border. The EU will also begin treating the UK as a third country and implement full controls on goods passing between the UK and the EU. The UK is in the process of negotiating its future relationship with the EU, including seeking to reach a free trade agreement (FTA). Unlike for previous deadlines, regardless of the outcome of the negotiations there will be significant change at the border from 31 December. An FTA may alter the scale and nature of some border requirements, for example by reducing or eliminating tariffs, but will not remove them. There may also be additional obligations for businesses to comply with to obtain the benefits of any FTA.

3 Many of the preparations that government departments are making for the end of the transition period build on their previous no-deal plans, which focused on putting in place a minimum operating capability for 'day one'. However, there are two elements for which departments have not previously undertaken any significant preparations – implementing the Northern Ireland Protocol from 1 January 2021 and introducing an import control regime.[1] The government originally intended to implement a new import control regime from 1 January 2021, but on 12 June 2020 the government announced it would not seek an extension to the transition period beyond 31 December 2020 and would adopt a three-stage phased approach to introducing import controls, with full import controls to be in place by 1 July 2021.

4 The Northern Ireland Protocol is part of the Withdrawal Agreement and sets out the basis on which trade will be conducted in and out of Northern Ireland, recognising the specific circumstances in Ireland and Northern Ireland in the context of the Belfast (Good Friday) Agreement. In order to avoid the introduction of any hard border between Ireland and Northern Ireland, while still maintaining the integrity of the EU single market, Northern Ireland will be part of the UK's customs territory but apply the EU's customs rules and follow EU single market rules.

1 The UK and the EU agreed the Northern Ireland Protocol on 17 October 2019.

5 Since the UK's decision to leave the EU in 2016, the National Audit Office has reported four times on the management of the UK border, focusing primarily on the government's preparedness for exiting the EU without a deal.[2] We highlighted key risks around systems development, infrastructure and resourcing, and industry and trader readiness.

6 As a result of the ongoing negotiations and wider political context there have been many political developments relating to EU Exit and the management of the border to which departments have had to respond since we last reported. The purpose of this report is to: set out how the government and departments have been preparing to manage the border after the end of the transition period; to set out their degree of preparedness to implement their plans; and to highlight the significant risks to the effective functioning of the border from 1 January 2021. It is based on information available up to 30 October 2020.

- In Part One we set out the background to preparations for the end of the transition period and government's planning assumptions.
- In Part Two we report on progress with implementing the arrangements required to manage Great Britain's (GB's) border from 1 January 2021.
- In Part Three we report on progress with implementing the Northern Ireland Protocol for 1 January 2021.
- In Part Four we report on progress with implementing the arrangements required to manage the GB border from 1 July 2021. In this part we also consider some longer-term issues relevant to the management of the border.

In this report we refer to departments and agencies with border responsibilities as 'departments'. We use 'government' to describe ministers and the centre of government who are making decisions and carrying out UK–EU negotiations.

2 Comptroller and Auditor General, *The UK border: preparedness for EU Exit October 2019*, Session 2019-20, HC 98, National Audit Office, October 2019. Available at: www.nao.org.uk/wp-content/uploads/2019/10/The-UK-border-preparedness-for-EU-exit-October-2019.pdf; Comptroller and Auditor General, *The UK border: preparedness for EU exit update*, National Audit Office, February 2019. Available at: www.nao.org.uk/wp-content/uploads/2019/02/The-UK-border-preparedness-for-EU-exit-update.pdf; Comptroller and Auditor General, *The UK border: preparedness for EU Exit*, Session 2017–2019, HC 1619, National Audit Office, October 2018. Available at: www.nao.org.uk/wp-content/uploads/2018/10/The-UK-border-preparedness-for-EU-exit.pdf; Comptroller and Auditor General, *The UK border,* Session 2017–2019, HC 513, October 2017. Available at: www.nao.org.uk/wp-content/uploads/2017/10/The-UK-border.pdf

7 We have examined the work of all UK government departments with significant responsibilities at the border. This includes HM Revenue & Customs (HMRC), the Department for Environment, Food & Rural Affairs, the Home Office, the Department for Transport, and the Border and Protocol Delivery Group (BPDG) and Transition Task Force (TTF), which are both situated within the Cabinet Office. BPDG is responsible for coordinating government's preparations in relation to the border and TTF has oversight of overall EU Exit preparations, following the closure of the Department for Exiting the European Union in January 2020. We have also engaged with departments within the Northern Ireland civil service which have the most significant roles in relation to the Northern Ireland Protocol.

8 This report sets out the progress of government and departments in implementing the changes required to manage the border after the end of the transition period and highlights the most significant risks. Our examination focuses primarily on the movement of goods through ports, including roll-on, roll-off (RORO) ports, where the most change is required.[3,4] The government is spending significant sums of money preparing the border for the end of the transition period. In 2020 alone, the government announced £1.41 billion to fund new infrastructure and systems, and wider support and investment.[5] In this report we do not present a comprehensive view of costs, nor do we reach a final conclusion on the value for money of government's preparations at the border for the end of the transition period.[6] As well as preparations at the border, the government has a significant programme of work to complete by the end of the transition period on the future UK–EU relationship, including on continuity of UK–EU transport, reciprocal healthcare arrangements and fishing rights. The UK government is also seeking to negotiate trade deals with other areas of the world. We do not cover progress on this wider programme of work in this report.

3 Roll-on, roll-off (RORO) refers to the way that freight is loaded and unloaded – that is, it is usually driven on or off the ferry or train.
4 Eurotunnel has told us that it is a land-based transport system and is not, technically, a port. However, it shares many of the same characteristics as a the same characteristics as a RORO port.
5 The total £1.41 billion for the border announced in 2020 comprises: a £50 million funding package to accelerate the growth of the UK's customs intermediary sector announced on 12 June 2020; a £705 million investment for GB-EU border announced on 12 July 2020 and a £650 million investment for Northern Ireland announced on 7 August 2020 (which includes support for peace, prosperity and reconciliation projects on the island of Ireland).
6 In March 2020 we published a report – *The Cost of EU Exit Preparations* – which found that departments spent at least £4.4 billion on EU Exit preparations between June 2016 and 31 January 2020.

9 As in our previous reports on the border, in this report we refer to BPDG's central reporting of the delivery risks relating to preparations for the end of the transition period and beyond. These ratings are included in its weekly reports to senior officials and Ministers. BPDG told us during the course of our fieldwork that it had changed its approach to reporting risk. BPDG told us that risk reporting in relation to individual departmental projects and programmes was owned by that department and reflected in BPDG reporting, having been discussed and challenged cross-departmentally where appropriate. Risk reporting in relation to cross-cutting areas, or areas where aggregated risk is reflected, such as overall systems risk or trader readiness, is undertaken by BPDG, in collaboration with departments. We have not been able to audit this change in reporting in the time available. In this report where we refer to BPDG's risk ratings, these ratings may also reflect departments' own ratings.

Key findings

Planning for the end of the transition period and beyond

10 In January 2020, the government instructed departments to prepare on the baseline assumption that there would be no further agreement with the EU. The ratification of the Withdrawal Agreement in October 2019 meant there were two possible scenarios in which the UK would leave the EU: on the basis of the Withdrawal Agreement and with an FTA, or on the basis of the Withdrawal Agreement alone. In January 2020, the government instructed departments to plan for no further agreement with the EU and therefore no FTA, and the UK would trade under World Trade Organization (WTO) rules.[7] However, departments were also told to plan to be able to implement an FTA on the basis of the UK government's negotiating objectives. In terms of border preparations there would be little difference between the two scenarios, with the UK leaving the single market and the customs union in both (paragraphs 1.3, 1.5 and Figure 3).

7 To comply with WTO rules the government needs to put in place the same controls over imports from the EU as it applies to the countries in the rest of the world with whom it does not have a free trade agreement, or alternatively any differences would need to be justified by one of the exceptions to the Most Favoured Nation rule as set out in the WTO treaties.

11 **The government's emergency response to COVID-19 delayed preparations that were already rated high-risk.** In March 2020, prior to the lockdown, BPDG reported that eight of the nine key elements of government and border industry readiness it was monitoring were at significant risk of not being delivered by 1 January 2021. Areas rated at the highest level of risk were IT systems, infrastructure, data, customs agents' capacity, and trader and haulier readiness. The emergency response to COVID-19 absorbed a lot of government resources but departments were able to largely protect their core teams working on priority transition programmes. However, the emergency response led to a pause in collective ministerial decision-making at the XO Committee until June 2020. The government also paused its communications to traders and industry, recognising the impact of COVID-19 on both the government's and businesses' preparations, restarting this in July 2020 (paragraphs 1.16, 1.17 and Figure 2).

12 **The government's decision to phase in import controls has given departments, traders and industry more time to prepare, but this approach also has risks.** On 12 June 2020 the government announced that it did not intend to extend the transition period with the EU beyond 31 December 2020 and that it intended to phase in the introduction of import controls in three stages between January and July 2021. This means that: full import controls will not be in place until July 2021; the systems, infrastructure and resources required will not need to be fully operational until 1 July 2021; and that the majority of traders will not need to make full import declarations until this date. This was in recognition of the impact of COVID-19 on both departments' and businesses' ability to prepare for the end of the transition period. Departments adjusted their delivery plans to reflect the phased approach to the implementation of controls. Although the approach gives traders and industry more time to prepare for UK import controls, it added some complexity to communications about what preparations were needed and when. The government accepts its decision to phase in import controls increases fiscal risk in the six-month period when full import controls will not be in place. The government is taking steps to mitigate this fiscal risk, for example by requiring high-risk traders to make import declarations from 1 January 2021 (paragraphs 1.9 to 1.11 and Figure 2).

Preparedness for 1 January 2021

The overall UK border operating model

13 **Departments have made progress towards implementing a minimum operating capability by 1 January 2021 but transit arrangements, which enable traders to move goods using a simplified process, will be challenging to deliver in their entirety.** Most of the systems, infrastructure and resources required to operate the border from 1 January are similar to those needed for government's previous no-deal requirements. These represent a minimum operating capability which the government will continue to develop over time. However, there are also some new elements where departments have sought to improve on their previous no-deal plans or have had to change previous plans in relation to implementing the Northern Ireland Protocol. Departments told us they have a reasonable degree of confidence in being able to deliver the minimum operating capability by 1 January 2021, although timetables are tight. The ability for traders to move goods under the Common Transit Convention (CTC), which allows traders to use simplified arrangements for moving goods across customs territories, is a key element of the government's plans for 1 January 2021. HMRC is unable to predict exactly how many traders will register to use transit facilities as businesses would make their own decisions as they balance the benefits of the relative ease of transporting goods with the investment required to use transit, for example in systems. HMRC currently estimates that there will be around 6.3 million movements of goods under transit arrangements in the year following the end of the transition period. Some elements of the government's plans in relation to transit will be challenging to deliver in their entirety before 1 January 2021. For example:

- Enabling the Goods Vehicle Movement Service (GVMS) to fulfil the requirements necessary to allow traders to move goods under transit requires changes from ports and carriers, as well as government, who have been given limited time to make changes. As at 21 October 2020, BPDG reported the rating of GVMS as amber in regard to transit but rated the readiness of the operator and port controls necessary to implement GVMS as red.
- As at 21 October 2020, HMRC had identified that seven inland sites would be needed to facilitate transit movements from 1 January 2021, in addition to those provided by ports.[8] As at 21 October 2020, BPDG reported the rating for the individual sites as either red, amber-red or amber. HMRC has assessed that it will be very challenging to put in place all new transit sites for 1 January.

8 In addition, HMRC was in negotiations with two existing sites to expand capacity to undertake transit checks.

BPDG's assessment is that it is confident there will be an operational transit system in place to meet the forecast demand for transit by 1 January 2021. However, it acknowledges hauliers may need to use alternative sites if all the planned arrangements are not ready. This could have an impact on the ease with which traders can import and export goods (paragraphs 1.6 to 1.7, 2.2 to 2.27 and Figure 5).

14 **There is little time for ports and other third parties to integrate their systems and processes with new or changed government systems, and contingency plans may need to be invoked in some areas.** Integrating the processes, IT systems, infrastructure and resources to operate together for the first time from 1 January 2021 is inherently complex and high-risk. In addition third parties, such as ports and community software providers, who need to develop new software which integrates with new or changed government systems, have been given very little time in which to prepare and are unlikely to be able to do so in time for 1 January 2021. In part as a result of the delays caused by COVID-19, there is limited time to: test individual elements and resolve any emerging issues; ensure elements operate together; familiarise users with them in advance; and little or no contingency time in the event of any delays. BPDG is working with departments to develop contingency plans and to agree dates by which these would need to be invoked. Contingency plans may not provide the full functionality of the original plans or may require manual processes and increased resources to operate and may bring increased risks (paragraphs 1.16, 2.19, 2.20 and 2.33 to 2.35).

15 **There is likely to be significant disruption at the border from 1 January 2021 as many traders and third parties will not be ready for new EU controls.** As a result of the government's decision to leave the EU customs union and the single market it is inevitable that there will be additional administration and checks required to manage the border. However, this friction will be exacerbated if traders and others are not prepared for the likelihood that the EU will apply full customs and regulatory controls from 1 January 2021. On 21 October 2020, BPDG assessed trader and passenger readiness as red. The government's latest reasonable worst-case planning assumptions, as of September 2020, are that 40% to 70% of laden lorries may not be ready for border controls. The government is providing targeted support to help the estimated 10,000 high-value GB traders who currently only trade with the EU and to raise awareness of the preparations needed (paragraphs 2.36 to 2.41, 2.46 and Figure 10).

16 **The government has not yet facilitated the required expansion of the customs intermediary market, which is vital for increasing trader readiness.** The government has recommended that traders use the services of a customs intermediary to help them prepare. However, the government's plans are dependent on the customs intermediary sector viewing the changes to border arrangements as a commercial opportunity, and increasing in size to meet demand at a sufficiently fast rate to be able to take on new business from the end of the transition period. In October 2018 we reported that the customs intermediary market might not be able to meet demand. Since 2018 the government has made available £84 million in support to the sector to cover training, recruitment and the development of IT systems, including £50 million which it announced in June 2020. From its engagement with the sector, the government considers that the majority of intermediaries are preparing to make additional declarations compared to current volumes at the end of the transition period, and most of those that are scaling up have taken some action to prepare to do this. However, it is also aware that there remain barriers to expansion such as a lack of information on future border processes and a lack of awareness of government support. To address this, the government has undertaken a range of actions to raise awareness of border requirements and the support available. On 8 October 2020, the government announced a change to the grant scheme in response to concerns that EU State Aid rules were preventing expansion of the market. As of 16 October 2020, £55 million of that £84 million had been claimed, of which £25 million had been paid out. As at 21 October 2020 BPDG continued to report customs intermediaries' capacity as a red-rated risk for both January and July 2021 (paragraphs 2.47 to 2.50).

17 **The government's plan for reducing the risk of disruption at the approach to the short Channel crossings is still developing, with various operational issues to be resolved.** The government is planning on the basis that, in a reasonable worst-case scenario, up to 7,000 lorries may need to queue at the approach to the short Channel crossings. It is developing new arrangements to try to minimise the length of queues. These depend on new technology and will require the engagement of traders and hauliers. The government plans to launch a new online service (called 'Check an HGV') for hauliers to check and self-certify that they have the correct documentation for EU import controls before travelling, and to subsequently obtain a permit to drive on prescribed roads in Kent. Those without a permit will face a fine of £300. This plan requires hauliers to have a much more detailed knowledge of the load they are carrying than has been the case previously. There is more to do to ensure 'Check an HGV' is integrated with wider traffic management and enforcement plans including determining the level of enforcement possible without disrupting the flow of traffic, where the enforcement and compliance checking will take place and the resources needed (paragraphs 2.42 to 2.44 and 2.52 to 2.58).

18 **Civil contingency plans to minimise disruption to the supply of critical goods and medicines are more difficult to enact given COVID-19.** The government is putting contingency plans in place on the basis of its reasonable worst-case scenario assumptions relating to disruption at the border after the end of the transition period. As was the case for no-deal, government is preparing to activate its civil contingency arrangements, which focus on mitigating the short-term, severe impacts of any disruption. This includes securing additional freight capacity outside of the short Channel crossings and working with pharmaceutical and medical equipment companies to try to ensure the continuity of the supply of medicines in the event of disruption to supply chains. However, the context in which these plans are being prepared has changed. The emergency response to COVID-19 has placed strain on local authorities, industry and supply chains' ability to plan and put in place contingency arrangements. Disruption at the border may be harder to manage if it also happens alongside further COVID-19 outbreaks and a background of economic uncertainty (paragraphs 2.54 and 2.59 to 2.62).

The Northern Ireland Protocol

19 **Departments face a significant challenge in implementing the Northern Ireland Protocol by 1 January 2021.** Implementing the Protocol is very high-risk due to: the scale of the changes required; the limited time available; the dependence on ongoing negotiations; and the complexity of the arrangements. Delivery risk is also heightened by the need to integrate and manage changes across multiple projects and stakeholders (paragraphs 3.2 to 3.9).

- HMRC is responsible for delivering most of the programmes required to operate the Protocol, including the Customs Declaration Service (CDS) and GVMS. Given the scale and complexity of the challenge, and the relatively short period of time which has elapsed since the Protocol was agreed, HMRC has made progress and now assesses that it can deliver most of the elements required, including the functionality for a dual tariff regime. However, it acknowledges that bringing all the elements together is still very high-risk, and there is little time for software providers to make the necessary changes or to resolve any issues which may emerge during testing. It is in the process of identifying alternatives if it cannot put its plans in place by 1 January 2021.

- Northern Ireland's Department of Agriculture, Environment and Rural Affairs (DAERA) is responsible for putting in place the systems, infrastructure and resources to undertake sanitary and phytosanitary (SPS) checks.[9] Its ability to take forward this work has been severely hampered by the ongoing negotiations and, in the case of infrastructure, the lack of clarity about the level of checking that will be required. Given the ongoing uncertainty and tight timeframe, DAERA considers that it will now not be possible to complete the necessary work on its systems and infrastructure in time for 1 January 2021 and is exploring contingency options.

- Some of the arrangements are dependent on the outcome of negotiations and whether an FTA is agreed, and the ongoing uncertainty has affected departments' and traders' ability to prepare. Developments related to the UK government's Internal Market Bill have further increased this uncertainty.

20 The government has left itself little time to mobilise its new Trader Support Service (TSS) and there is still a high risk that traders will not be ready. Due to Northern Ireland's unique position of being in the UK customs union but operating the Union Customs Code, the application of the Protocol will involve some changes for goods movements into Northern Ireland to ensure consistent regulatory standards across the island of Ireland.[10] The Protocol ensures there are no processes for goods movements on the island of Ireland (avoiding a hard border) and for goods movements from Northern Ireland to the EU. But in order to protect the single market from this open border there will be some additional processes for goods moving from GB to Northern Ireland. In August 2020, the government published guidance on moving goods into and from Northern Ireland. It also announced that it is investing £200 million to establish a free Trader Support Service (TSS) and £155 million to develop new technology to ensure the new processes with which traders must comply are fully digital and streamlined. As at 16 October 2020, HMRC had let a contract to a consortium led by Fujitsu to deliver TSS but it had not finalised all of the contract's details, including cost and duration. It will be challenging to establish TSS within the timeframe, including: activity to identify Northern Ireland traders and sign them up to use the service; recruit and train the staff required; develop software to enable traders to connect to HMRC's systems; and deliver educational activities to traders. There is also ongoing uncertainty about the requirements for the movement of goods under the Protocol (paragraphs 3.2 and 3.14 to 3.18).

9 SPS checks are checks on compliance with the basic WTO rules for animal and plant health standards and food safety.
10 The Union Customs Code (UCC) defines the legal framework for customs rules and procedures in the EU customs territory, adapted to modern trade models and communication tools.

Preparedness for July 2021 and beyond

21 **The government is planning to implement full import controls by July 2021 but there is uncertainty over where the infrastructure and resources will be located, and if they will be ready in time.** Additional system functionality, resources and infrastructure are needed to support full import controls from 1 July 2021, on top of what is planned for 1 January 2021. The government launched a £200 million fund for which ports can bid for grants to build some of the infrastructure required. It has also set a budget of £270 million to set up government-run sites, where ports do not plan to expand. There will remain some uncertainty as to the infrastructure government will need to provide until ports have made their bids to the fund, and funding has been awarded. As of 21 October 2020, BPDG assessed that there was a high risk that not all the infrastructure would be ready by 1 July 2021, rating the risk amber-red. Additional resources will also be required at ports and inland sites for the new compliance regime but there is some uncertainty as to the numbers required and location. As of 21 October 2020, BPDG also rated amber-red the risk that resources will not be ready in time. If infrastructure and resources are not ready this could extend the amount of time that the UK is at risk of not being compliant with WTO rules, unless covered by one of the exceptions, and could increase the likelihood of criminal behaviour such as smuggling and that the government fails to collect all the taxes due on transactions at the border (paragraphs 4.2 to 4.13).

22 **HMRC must make significant further changes to its customs systems to enable it to handle the projected increase in customs declarations.** Some of the systems which departments are putting in place will need further development over time. In particular, HMRC will need to undertake significant work to expand CDS to enable it to cope with the projected number of declarations. In May 2020, HMRC completed its original programme to develop CDS with a capacity of 60 million declarations annually. However, HMRC's requirements following the signing of the Withdrawal Agreement in October 2019 are for a customs platform that can support the implementation of the Northern Ireland Protocol and handle 270 million customs declarations a year from 2021, rising further beyond this date. In April 2020, HMRC commissioned an independent review of the work needed to expand CDS, which concluded that substantial re-engineering would be required. HMRC has known since it began its no-deal preparations in 2017 that CDS might need to handle a very significant increase in customs declarations. HMRC now plans to run its Customs Handling of Import and Export Freight (CHIEF) system alongside CDS until CDS is scaled to the required level. It has signed a contract with Fujitsu to support CHIEF for up to five years at a cost of £85 million in total (paragraphs 2.5 to 2.7 and Figure 5).

Concluding remarks

23 While the UK has now left the EU, preparations to manage the border at the end of the transition period remain very challenging and have continued to be significantly affected by the ongoing negotiations and wider political context, and by the impact of COVID-19 on both the government's and businesses' ability to prepare. The end of the transition period is unlike any previous EU Exit deadline in that, regardless of the outcome of negotiations on the future relationship between the EU and the UK, things will change. The government is planning for significant change at the border from 1 January 2021. Departments have built on their no-deal planning and, although hampered by the challenges of the COVID-19 pandemic, have made progress in recent months implementing the changes required to systems, infrastructure and resources. However, significant risk remains, in particular in relation to the arrangements required to implement the Northern Ireland Protocol. The government must continue to focus its efforts on resolving the many outstanding practicalities relating to both the Great Britain and Northern Ireland operating models and developing robust contingency arrangements if these cannot be resolved in time.

24 It is very unlikely that all traders, industry and third parties will be ready for the end of the transition period, particularly if the EU implements its stated intention of introducing full controls at its border from 1 January 2021. The government recognises that there will be disruption and is putting in place arrangements to monitor issues as they emerge. It will need to respond quickly to try to minimise their impact. It also needs to be alert to any increased risks of smuggling or other criminal behaviour which exploits gaps or inconsistencies in border operations. There is a risk that widespread disruption could ensue at a time when government and businesses continue to deal with the effects of COVID-19.

25 The increasing time pressure and risks mean that the government is committing a lot of money to progress preparations in areas, such as port infrastructure and customs intermediaries, which would traditionally be provided by the private sector. The unique situation in which departments are operating makes some element of additional spending inevitable, and it is right that the government does what is appropriate to mitigate the risks. However, despite the funding being committed by government, there remains significant uncertainty about whether preparations will be complete in time, and the impact if they are not. Some of this uncertainty could have been avoided, and better preparations made, had the government addressed sooner issues such as expanding the customs intermediary market, developing a solution for roll-on, roll-off (RORO) traffic, upscaling customs systems and determining the requirements for infrastructure to enforce a new compliance regime.