

## ***Trade Talk: Australian Trusted Trader – Pipeline of Future Benefits***

*October 2017*

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### ***In brief***

The Australian Trusted Trader (ATT) program now has 100 participants, consisting of small to medium size businesses, service providers and some large multinational businesses, with an ambitious growth trajectory for the future.

The Australian Border Force (ABF) has introduced a new consolidated cargo benefit to help streamline business process for the clearance of imported consolidated cargo and reduce costs relating to border clearance of consolidated cargo.

Depending on the scale and complexity of a business's supply chain, this benefit stands to deliver tangible financial savings for certain businesses and will be implemented on 15 November 2017.

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### ***In detail***

Followers of our series on the ATT will be familiar with the details of the program. The ATT seeks to provide preferential treatment for international traders who meet supply chain security and trade compliance standards, delivering reduced supply chain costs and improved speed to market, as well as a range of other commercial benefits for participating international businesses.

### ***Program update***

Following 12 months of strong interest, the ATT program now has over 100 accredited participants. A third of these participants are service providers, while the other two-thirds are made up of small to medium size and large multinational businesses. An ambitious target of 1000 participants in the ATT program by 2020 has been set. To manage this influx of businesses, the ABF has sought to ease access to the program via a new accreditation process.

The ABF has significantly reduced the size of the Self-Assessment Questionnaire (SAQ) and the level of detail required for ABF to conduct its assessment of compliance with the program's core criteria. However, while the ABF's aim is for businesses to be able to finish the SAQ in around 10 hours, businesses still need to complete a robust mapping and gap assessment of their trade compliance and supply chain security control framework prior to lodgment.

Our experience of this new accreditation process with recent clients has been that the duration from lodgment of the SAQ to expected accreditation ranges between four to eight weeks. This is a significant improvement on the six to 12 month timelines some candidates were experiencing when the program first commenced.

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In addition, ABF has sought to streamline the accreditation process for multi-ABN businesses. Instead of treating their accreditations independently of one another, they are now conducting the validation stage in a more streamlined and efficient manner by grouping the businesses together by identifying shared services and verifying those functions once.

### ***New benefits***

There is positive news on program benefits - with a new trade facilitation benefit to be delivered from 15 November 2017. The 'Consolidated Cargo Clearance Benefit' will allow Trusted Trader importers, or their licensed customs broker, to lodge a single import declaration for consolidated cargo for all sea cargo types and for air cargo that attracts a single import processing charge (IPC).

This change will enable consolidated cargo to be cleared on a single import declaration and result in fewer import declarations, creating direct savings of import declaration charges. This model of streamlined reporting will lead to changes to the Integrated Cargo System (ICS) which are expected to be ready in time for the 15 November launch date.

Consistent with current practice, accredited Trusted Traders will continue to provide cargo reports at the supplier level, but sea cargo shipments with multiple suppliers can be cleared on a single import declaration when there is more than one transport line, provided that the Ocean Bill of Lading is the same or any of the lines are Full Container Consolidated (FCX). With respect to air cargo, these changes will allow multiple suppliers on an import declaration when there is more than one transport line, provided that the Master Waybill is the same. Importantly, and depending on a business's supply chain, this benefit stands to deliver tangible financial savings on an ongoing basis, with some program estimates indicating an average AUD 50,000 in IPC reductions for Trusted Traders.

The ABF has also announced that it is currently in negotiations on the delivery of a Certificate of Origin benefit. This benefit would seek to provide international recognition for Trusted Traders under Mutual Recognition Agreements with certain jurisdictions. This would eliminate the need to obtain Certificates of Origin to access preferential duty treatment under specific FTAs. We understand that this benefit is intended to cover a number of Australia's existing free trade agreements, however unfortunately does not extend to the China-Australia Free Trade Agreement as documentary evidence of origin is unable to be waived under this treaty.

### ***The Takeaway?***

The ABF is continuing to show its commitment to the provision of new benefits to those engaged with the ATT program. The ATT is in a high growth phase and remains a unique opportunity for businesses to reduce costs and increase savings in their supply chain, improve speed to market and free up working capital. This new Consolidated Cargo Clearance Benefit demonstrates clear progress towards simplifying border processes for trusted businesses and is indicative of the future development of the program and the benefits it delivers to participants.

### ***Let's talk***

For a deeper discussion of how your business can take advantage of our trade consulting expertise, please contact:

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