
Australian Trusted Trader: a necessity for modern businesses

30 November 2016

In brief

- With the continual growth of the Australian Trusted Trader (ATT) program, the Department of Immigration and Border Protection (DIBP) is predicting over 1,000 participants by 2020, and a contribution of AUD2.91 billion in economic benefits within Australia in the next ten years.
 - DIBP signed its first Mutual Recognition Agreement (MRA) with the New Zealand Customs Service, and also agreed a Statement of Intent with Singapore and Hong Kong respectively.
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In detail

The ATT program is a customs initiative developed by the Australian Government, and was established by the *Customs Amendment (Australian Trusted Trader Programme) Act 2015*. The ATT is a free and voluntary program of which the pilot phase commenced in July 2015 for twelve months, to test and refine new processes. As of July 2016, the program is open to all Australian businesses active in the international supply chain.

The DIBP, the lead policy agency, forecasted the economic benefit of the ATT program in Australia to be AUD2.91 billion over the next ten years. By 2020, there is an expectation that there will be over 1,000 businesses participating in the ATT program, representing 30 per cent of Australian trade by volume and 50 per cent by value, according to departmental modelling. It is also predicted that the ATT will generate AUD953 billion in benefits to businesses, particularly by way of gradual MRAs developed with various export countries.

The Department has already signed its first MRA with the New Zealand Customs Service. This will result in a reduction in regulatory burden and an increase in cash flow at market ports. Korea has signed a Statement of Intent regarding Mutual Recognition of our Trusted Trader (AEO) program, with Singapore and Hong Kong to follow. It is also expected that Japan, China, USA and Canada will sign MRAs within the next two years.

Following the Government's approval and commitment to funding in the 2016-17 Australian Federal Budget, the DIBP continues to develop the ATT. The DIBP has added further benefits, and processes to ensure those benefits are realised. For example, the DIBP has been seeking recognition of the ATT program in Free Trade Agreements. Those accredited as Trusted Traders may have access to a potential Trans-Tasman 'Secure Trade Lane', which will either reduce or remove the need to report information to the Government. Ultimately, these benefits will result in faster regulatory processes and import clearance for the Australian industry.

Other benefits anticipated for 2017-18 include:

- duty deferral
- duty on imported goods will be deferrable for a set period, and
- access to streamlined reporting arrangements, which will reduce the administrative burden involved in importing and exporting goods.

The ATT also accommodates future work with the DIBP and Australian Border Force to co-design and test new trade facilitation initiatives.

The DIBP runs workshops and presentations to assist accredited Trusted Traders by providing further updates and clarity on ATT. These workshops also provide businesses with an opportunity of influencing the direction of the program's future – important for businesses who may want to influence the government policy in respect of their industry.

The takeaway

Since ATT's commencement on 1 July 2016, DIBP has endeavoured to improve the program to create additional benefits for accredited businesses and to create further stimulus for the Australian economy. With multiple MRAs in the works, accompanied by further governmental funding, ATT has become a necessity for modern businesses in Australia.

Businesses interested in pursuing ATT accreditation are encouraged to reach out to any of the contacts listed for a deeper discussion on the benefits and costs.

Let's talk

For a deeper discussion of how these issues might affect your business, please contact:

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