



The evolution of the Australian Trusted Trader

Since the ATT program's 'Go Live' date on 1 July 2016, over 340 businesses have applied for the program, with a small number accredited Trusted Traders so far. To review, the ATT fosters an environment of global competitiveness for international traders, through providing preferential treatment when they meet supply chain security and trade compliance standards. Accredited businesses under the program will be recipient to a number of commercial benefits, including reduced supply chain costs, improved lead times, reduced audits, and international recognition amongst countries with equivalent programs. Without the ATT, businesses could face a multitude of risk variables in supply chain logistics, which could result in significant disruptions to their supply chain.

Diversity of program applicants

Of the five currently accredited Trusted Trader businesses, two are Australian in origin, whilst the other three operate as Australian subsidiaries of foreign entities. The program has attracted strong interest from a variety of businesses since its launch date. These range from small-medium enterprises (SMEs) to multinational corporations (MNCs), with service providers also expressing interest in applying for accreditation.

The diverse nature of these applicants is indicative of the successful international appeal of the ATT, which will significantly benefit any businesses wishing to compete on a global platform.

Validation stage of applicant processing

To progress into Trusted Trader accreditation, businesses must satisfy the Self-Assessment Questionnaire (SAQ) stage. Prior to lodgement of the SAQ, it is recommended that businesses have their compliance (Trade and Security) externally reviewed.

The SAQ provides the Australian Border Force (ABF) with background on a business' operations, with trade compliance and international supply chain security measures functioning as an integral component. In addition, a proven forward plan must be tabled.

The SAQ stage has become increasingly streamlined; hence the ABF is focusing on overseeing validations into business applicants' supply chain security and trade compliance. As part of this validation stage, businesses should make preparations for possible ABF site visits and verification exercises.

Progress so far with key trading partners

A notable highlight associated with Trusted Trader accreditation is the recognition of the business' Trusted Trader status by foreign jurisdictions, via Mutual Recognition Arrangements (MRAs). A lack of MRAs may mean businesses face a higher likelihood of delays at overseas ports that many of their international competitors do not experience.

The pursuit of an MRA agenda can demonstrate to overseas markets that Australian Trusted Traders meet international supply chain security standards, which increasingly drive trade competitiveness.

Australia's first MRA was signed with the New Zealand Customs Service in July 2016, shortly after the commencement of the ATT. Additionally, substantial headway in negotiations has been made with Hong Kong, Korea, Canada, and Singapore. Due to the significant affiliation between Australia and China, reinforced through the China-Australia Free Trade Agreement (ChAFTA), which commenced in December 2015, MRA discussions with China are also currently well underway. The developments yielded through these negotiations will be expected to act as a precursor for possible MRAs with other key trading partners.

Contact

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Next steps

With the overwhelming interest garnered by the ATT, submitted applications are expected to exponentially increase over the next few months. To bypass possible extended delays associated with this growth in applicant numbers, businesses must not postpone their application submissions any further.

Interested applicants should take note of the ABF's enhanced focus on the evaluation of business' supply chain and trade compliance, during the validation stage.

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