

QUESTION TAKEN ON NOTICE

SUPPLEMENTARY BUDGET ESTIMATES – 20 OCTOBER 2014

IMMIGRATION AND BORDER PROTECTION PORTFOLIO

(SE14/187) PROGRAMME – Internal Product

Senator Xenophon (Written) asked:

In the Budget Estimates I asked about how the Trusted Trader Programme would operate and was advised that it “seeks to provide trade facilitation benefits those those economic operators with strong security practices and a history of compliant behaviour”.

- a. What would be the ‘trade facilitation benefits’ be?
- b. What are the proposed requirements for membership to the Programme?

Answer:

a. The Trusted Trader Programme (TTP) is currently being designed in close consultation with industry stakeholders, partner border agencies and international border agencies.

One of the key elements of this co-design approach is the development of a range of potential trade facilitation benefits to be offered to participants of the Programme.

The benefits being considered include: duty deferral, streamlined reporting, Client Service Managers, reduced examinations, priority trade services and Mutual Recognition Agreements (MRAs) with key trading partners. Also under consideration is recognising the TTP in Free Trade Agreements, which would provide streamlined procedures for Trusted Traders such as eliminating the need for a certificate of origin.

These benefits have been assessed as being of greatest value in the facilitation of trade. They represent a mix of those that can be implemented relatively quickly and others that will require legislative amendment. Benefits requiring legislative amendment would not be available at the commencement of the Programme.

A decision as to the benefits that will actually be available under the TTP will be made in the lead up to the 2015 Budget.

b. As part of the co-design approach with relevant stakeholders, we are looking at the different elements that constitute membership.

Having explored different membership approaches internationally, it is proposed that the most suitable approach for Australia is to allow all supply chain entities to apply for membership. The Programme will provide potential participants with the option of

applying either for all components of their supply chain or for just their particular business.

Allowing a potential participant to apply for Trusted Trader status in relation to all components of their supply chain will ensure that they immediately access the benefits of the TTP. This option will be particularly attractive to large companies with the ability to influence the supply chain security standards of their business partners. In addition, allowing a potential participant to apply for just their particular business will ensure that Small and Medium Enterprises (SMEs) are able to participate. Entities that choose this membership option will need to link up with other Trusted Traders in the supply chain in order to access the Programme's benefits.

To participate in the Programme, an entity will need to meet or exceed minimum supply chain security and trade compliance standards. The standards will be based on the World Customs Organization's SAFE Framework of Standards to Secure and Facilitate Global Trade. Examples of standards include personnel security, information security, physical security and conveyance security. Potential participants will only need to meet the requirements that are relevant to their business processes. The onus will be on the potential participant to explain how their supply chain delivers the required outcomes. This will provide a more tailored approach to the individual company. It will also allow flexibility to incorporate more advanced processes and systems that some businesses may already have in place.