

RESEARCH IMPACT

Enhancing the Competitiveness of Australia's International Traders



Charles Sturt
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Challenge

Australian traders were disadvantaged by an Australian government decision not to join a global effort to secure and facilitate international supply chains. Companies were missing out on trade-related benefits such as expedited customs clearances in Australia and key overseas markets.

Discovery

Charles Sturt University researchers examined similar arrangements implemented around the world, demonstrated the potential economic benefits of introducing such an initiative in Australia, and made specific recommendations about what form an Australian scheme should take.

This research was a key catalyst for the introduction of the Australian Government's Australian Trusted Trader (ATT) programme. ATT provides Australian businesses with international trade facilitation benefits, such as reduced regulatory requirements both in Australia and in certain export markets which enhance international competitiveness.

Impact

The ATT better facilitates legitimate trade while maintaining appropriate levels of trade security. The program delivers significant economic benefits in terms of Australian household consumption, cost of doing business, additional business investment and regulatory savings. Over 600 companies have joined the ATT program to date.

Background

Following the 2001 terrorist attacks in the United States, international organisations developed initiatives to secure international supply chains against terrorist and other threats. These initiatives include the accreditation of members of the international trading community that meet security and other regulatory requirements. Companies with this accreditation, called Authorised Economic Operators (AEO), are provided with trade facilitation benefits such as expedited customs clearance and fewer checks. Non-accredited companies are subject to increased security checks and enforcement efforts.

Whilst Australia initially looked to implement such a scheme, in 2012 it was announced that the initiative would not proceed. Australian industries were concerned that a lack of an Australian scheme would place them at a disadvantage when exporting to overseas markets. The Centre for Customs and Excise Studies (CCES) was subsequently commissioned to examine the matter.

The Research

Charles Sturt University researchers from CCES Professor David Widdowson, Mr Bryce Blegen and Dr Mikhail Kashubsky, and Dr Andrew Grainger (University of Nottingham, UK), published a report in 2014. The report examined AEO schemes implemented around the world, demonstrated the potential economic benefits of introducing such a scheme in Australia, and captured views and specific recommendations of industry stakeholders on what form an Australian program should take.

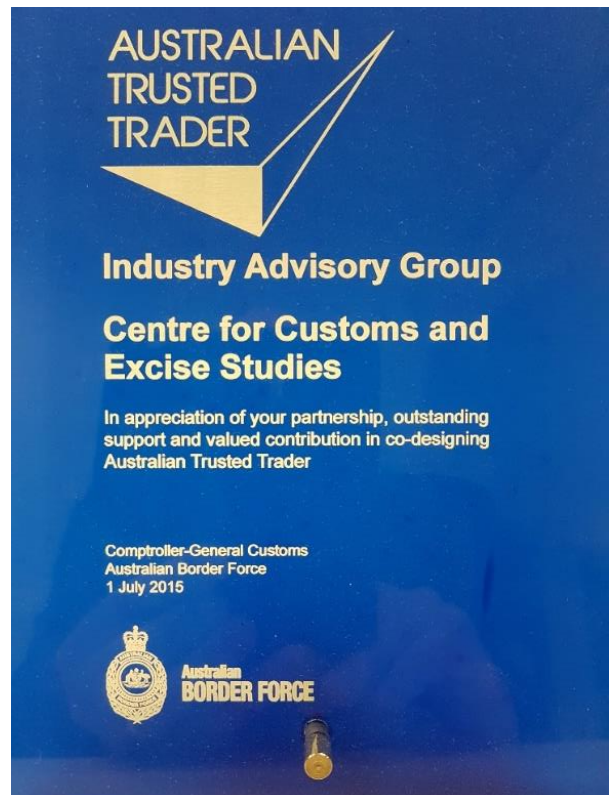
Outcomes

The research report ultimately became a catalyst for a reversal of the Government's earlier decision to not introduce an AEO program. It led to the introduction of the Australian Trusted Trader (ATT) Program in 2015, which incorporates many of the research recommendations. To date, over 600 companies have joined the ATT program.



The economic benefits of the ATT program are significant. At the launch of ATT on 1 July 2015, Hon Peter Dutton MP stated that, between 2015-2025:

...[T]he Australian Trusted Trader programme is expected to deliver an increase in household consumption of \$2.2 billion, as well as additional business investment of almost \$1 billion. For the Australian industry involved in the programme...there is expected to be a substantial benefit, a direct impact of \$2.9 billion and associated regulatory savings of \$42.2 million.



Program Highlights

- Charles Sturt University research was a catalyst for the introduction of the Australian Government's Australian Trusted Trader (ATT) program
- Accredited companies in the ATT program receive expedited customs clearance and fewer checks
- Over 600 companies have joined the ATT program to date
- ATT brings significant economic benefits and regulatory savings

The new regulatory framework better facilitates legitimate trade while maintaining appropriate levels of trade security:

Australian Trusted Trader reduces red tape for Trusted Traders at the border, improves certainty in export markets, and expedites the flow of their cargo in and out of Australia, which means faster access to market

Australian Government website

Funding and Collaborators

Funding from the Australian International Trade and Transport Industry Development Fund and Charles Sturt University enabled involvement of international experts in the project and engagement with end users.

Continuous engagement with industry occurred during the research project through major industry associations including the Customs Brokers and Forwarders Council of Australia Inc., the Export Council of Australia, the Australian Federation of International Forwarders, the Conference of Asia Pacific Express Carriers, Shipping Australia Limited and the Australian Chamber of Commerce and Industry.

For more information
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