



Asia-Pacific
Economic Cooperation

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Supply Chain Security and Authorised Economic Operator – Australia’s Approach

Submitted by: Australia



**Secure Trade in the APEC Region (STAR V)
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Australian Government
Australian Customs Service

SUPPLY CHAIN SECURITY & AUTHORISED ECONOMIC OPERATOR


AUSTRALIA'S APPROACH



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THE TRADE ENVIRONMENT - 2005




- World trade approx US\$25.9 trillion
- APEC Region 46% of world trade
- 84% of APEC trade is in goods
- Australian merchandise AU\$300B
- The APEC region 72% of AU exports

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BACKGROUND

- Compliance with the WCO Framework
- Complementary goals – Security vs. Facilitation
- Cooperative arrangements with all stakeholders



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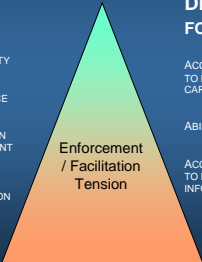
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TRADE FACILITATION

"Effective border management that supports legitimate trade"

DESIRED QUALITIES FOR INDUSTRY

- CERTAINTY OF CARGO AVAILABILITY
- TIMELINESS OF CARGO CLEARANCE
- EASY AND LOW COST INTERACTION WITH TRADE RELATED GOVERNMENT AGENCIES
- INSURANCE IN CASE OF DISRUPTION TO THE FLOW OF TRADE



Enforcement / Facilitation Tension

DESIRED QUALITIES FOR CUSTOMS

- ACCURATE AND TIMELY INFORMATION TO ENABLE RISK ASSESSMENT OF CARGO
- ABILITY TO MANAGE HIGH RISK CARGO
- ACCURATE INFORMATION WITH WHICH TO PROVIDE TRADE STATISTICS AND INFORM POLICY

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THE AUSTRALIAN PILOT PROGRAM


- Explore development of an Australian AEO program:
 - Identify future opportunities for trade facilitation
 - Consider joint management of international trade
- Inclusive of imports, exports, aviation and maritime
- Open to parties in the Australian supply chain

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OUTCOMES / LESSONS LEARNT

- Co-design of security profile
- Importance of whole of Government recognition in security accreditation and regulation
- Challenges in providing increased predictability, service and reliability
- Joint approach to security in Customs and industry processes
- Flexibility and adaptability crucial



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BENEFITS

SHORT TERM

- Reduced intervention and examination
- Priority service for trusted partner cargo
- Access to a dedicated point of contact



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BENEFITS

MEDIUM/LONG TERM

- Mutual Recognition and Business Resumption
- Opportunities to reduce reporting requirements
- Customs to Customs data sharing



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MUTUAL RECOGNITION

Mutual recognition is a process or framework that permits the status or "authorisation" that has been achieved within one jurisdiction to be recognised and accepted by another jurisdiction.

Two critical requirements

- 1) Common outcome;
- 2) Uniform interpretation of standards



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What benefits does Mutual Recognition Offer

- Increased efficiency of the "authorisation" process
- Avoids duplication of controls
- Improved ability to risk assess cargo
- Improved visibility and reputation
- Level of assurance of trade continuance

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WHERE TO FROM HERE?

- Complete pilot and evaluation by December 2007
- Progress discussion on mutual recognition
- Continue to explore opportunities for trade facilitation benefits



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THANK YOU



For further information email
supplychainsecurity@customs.gov.au

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