

THE KNOWN CONSIGNOR SCHEME – NEW COMPLEXITY IN EXPORTING BY AIR



WHAT IS THE KNOWN CONSIGNOR SCHEME?

The Government has introduced the Known Consignor scheme to add an additional layer of verification regarding the contents of cargo exported by air transport. From 1 March 2019, all air cargo being transported overseas from Australia will need to be examined at piece-level (box, carton, other similar item) by technology or physically, or originate from a Known Consignor. As a result, all air cargo will be subject to additional cost and delay. Exporters will need to:

- ▶ Use an Australian Government approved Regulated Air Cargo Agent* who can examine their air cargo at piece-level; or
- ▶ Be approved as a Known Consignor, so they can secure air cargo originating from their business.

WHAT IS A KNOWN CONSIGNOR?

A Known Consignor is a business that:

- ▶ Originates** international air cargo; and
- ▶ Meets approved security measures designed to prevent the introduction of an unauthorised explosive into cargo; and
- ▶ Is approved by the government; and
- ▶ Responsible for securing air cargo that originates from their business until that air cargo is provided to another regulated business.

WHAT ARE THE COSTS OF THE KNOWN CONSIGNOR SCHEME?

Known Consignors will need to meet and maintain a high level of security to ensure cargo is safe to load onto an aircraft. There is no fee to apply to become a Known Consignor. However, there may be start-up costs and fees associated with becoming a Known Consignor such as, but not limited to:

- ▶ Physical access control
- ▶ Information security and purchase and installation of security related equipment
- ▶ Secure packing, handling, storage and transportation of secured air cargo
- ▶ Security awareness training for staff and security procedures
- ▶ Development of response procedures in case security is breached
- ▶ Vetting of employees to ensure they are of suitable character and requirement of key staff to hold Aviation Security Identification cards (ASIC)
- ▶ Quality control procedures in place to monitor and manage compliance
- ▶ Detection and resolution of suspicious activity.

SECTOR

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MORE INFORMATION

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HOW CAN BDO'S INTERNATIONAL TRADE TEAM ASSIST?

BDO can assist exporters with:

- ▶ Assessing responsibilities and liabilities under existing supply contracts regarding security, privacy, information control etc.
- ▶ Reviewing the application process for Known Consignor (and potentially combining it with the application process for Australian Trusted Trader***)
- ▶ Preparing for site validation inspections to demonstrate that they can meet the security requirements
- ▶ Complying with requirements under the Known Consignor Security Program which include ensuring staff complete security awareness training
- ▶ Working through the impact of the changes on relevant bodies in your supply chain such as your freight forwarder, Cargo Terminal Operator, RACA or relevant peak body including possible delays and increased costs as well as how to minimise the impact of the change
- ▶ Considering issues including packaging of products, handling of consolidated cargo, scheduling of deliveries and how cargo is transported.

**The Regulated Air Cargo Agent (RACA) scheme is an alternative to the Known Consignor scheme. More information on how to apply to become a RACA is available [here](#).*

***Originate means the business makes, manufactures, assembles, or otherwise produces goods to be transported by aircraft as cargo.*

**** The Australian Trusted Trader Program (ATT) is a regulatory framework based on partnership and shared responsibility between the Australian Border Force and international traders. More information on how BDO can assist with ATT is available [here](#).*

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