



ECA Asks for Further Funding for Trade and Investment Development

FOR IMMEDIATE RELEASE: Tuesday 3 May, 2016

Measures announced in the 2016 Budget will help Australian companies take advantage of the ever increasing global opportunities. Highlights from the trade perspective include funding to expand the Department of Foreign Affairs and Trade's (DFAT) FTA portal, the investment in expanding Australia's trade and diplomatic footprint, and funding for the implementation of the Trusted Trader Program says the Export Council of Australia (ECA).

Chief Executive Officer of the ECA Lisa McAuley says "the announcement to allocate \$1.8 million over four years to enhance the online FTA portal is a great first step although we feel this is insufficient to deliver the desired outcomes and believe more funding is required for this invaluable tool."

The commitment of \$5.3 million over four years to re-open an Australian Trade and Investment office in Tehran, Iran beyond the limited facility operating in the Embassy, is welcomed. Indeed, the ECA, recognising the importance of the Iranian market is conducting its own research that will assist Australian businesses looking to take advantage of the commercial opportunities in this new market now that previous sanctions have been suspended.

The ECA has been a long term supporter of the Australian Trusted Trader Program and is pleased to see the government allocating \$70 million over the next four years to see the program implemented beyond the current pilot stage. Furthermore, the ECA is relieved to see confirmation that trusted traders will now be able to pay their customs duties monthly rather than at the time of each individual importation.

Director of the ECA Andrew Hudson says "the deferral of customs duty is a significant benefit for trusted traders and will help companies better manage their cash flow. This had been offered many years ago and it is a tribute to all concerned that this benefit will finally be delivered."

The government is also investing \$42.3 million over five years to expand Australia's diplomatic network and open consulates in Papua New Guinea, China and Ukraine. Mr Hudson says, "These diplomatic posts will help facilitate trade and investment, as well as break down non-tariff barriers to trade, which is particularly important in a market like China."

Other important announcements include:

- Support for the wine exporters of \$50 million over four years to promote Australian wine overseas and wine tourism within Australia. This will further support Australian wine companies looking to take advantage of Australia's FTAs.
- Expanding Australian services exports – \$6.4 million over four years to create the Regional Framework for the Asia Regional Funds passport. This recognises the importance of financial service exports as part of our wider services export offerings and will enable our corporate regulator to ensure that investment is made available to the appropriate providers of financial services in the region.
- The corporate tax rate will be reduced from the current level of 28.5% to 27.5% for Small Businesses, commencing 1 July 2016. The government is also increasing the Small Business definition to annual turnover less than \$10 million to extend access to a range of Small Business tax concessions.
- The Landing Pads In Innovation Hot Spots has been allocated \$2.4m over 2 years starting in the 2016/17 financial year to bring forward the opening of the Singapore and Berlin Landing Pads, previously



Export Council of Australia

The Voice for Australia's Exporters

from 2018/19. This will help to support Australian companies in emerging global innovation hotspots.

Infrastructure – investing in regional growth \$593.7 million over 3 years to invest in Australian inland rail. It is generally expected that one of the main impediments to exporters is the ability to transport their products to the ports and airports. The availability of this funding will go some way to resolve those issues and facilitate exports.

“While we recognise this is pre-election Budget, many of these announcements are consistent with our previous Trade Policy Recommendations. We now hope that both sides of politics incorporate other trade related initiatives in their election commitments.” Ms McAuley said.

For further information, please contact:

Richelle Ward
Export Council of Australia
richelleward@export.org.au
0414 290 526