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# *Australian Trusted Trader: new financial year, new benefits*

12 June 2017

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## ***In brief***

- Several hundred businesses formally expressed interest in becoming an Australian Trusted Trader (ATT) in its first year of operation. As of 6 July 2017, there are 36 accredited Trusted Traders.
  - The Department of Immigration and Border Protection is also making steady progress on the development of new benefits, announcing a significant new labour mobility benefit for accredited Trusted Traders.
  - The Department is also making progress on the Mutual Recognition Arrangement (MRA) front, with Australia signing its second MRA with the Hong Kong Customs and Excise Department.
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## ***In detail***

Our series on the ATT program continues this month as we bring the trade facilitation programme back into focus. ATT aims to provide preferential treatment for international traders who meet supply chain security and trade compliance standards, benefiting from reduced supply chain costs, improved speed to market and freeing up working capital, as well as a range of other commercial benefits.

In this article, we provide an update on the announcement by the Department of Immigration and Border Protection (DIBP) of a new labour mobility benefit available for accredited Trusted Traders. We also highlight some exciting news on the MRA front.

### ***Accredited Sponsorship arrangements from 1 July 2017***

Since 1 July 2017, the DIBP has changed how businesses become an ‘Accredited Sponsor’ of 457 visas and the assessment criteria of new sponsorship applications. These changes are designed to ensure that a larger number of lower risk sponsors have access to accreditation.

Under the changes, accredited ATTs have priority allocation and streamlined processing arrangements under one of the new distinct accreditation characteristic categories. The benefits that Accredited Sponsors receive will remain unchanged.

The benefits include:

- sponsorship is valid for six years
- priority allocation of all nomination and visa applications, and
- additional streamlined processing of certain low-risk nominations.

Existing Accredited Sponsors will not be impacted by the 1 July 2017 changes.

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To qualify for accredited sponsorship status, an accredited ATT must still meet all the requirements for standard business sponsorship and demonstrate, with evidentiary documentation, that they meet the following additional conditions:

- Australian workers comprise at least 75 per cent of their workforce in Australia.
- All 457 holders are engaged as employees under a written contract of employment that includes, at least, the minimum employment entitlements as required under the National Employment Standards (unless their occupation is exempt from this requirement).
- All Australian employees are paid in accordance with an Enterprise Agreement or an internal salary table that reflects the current market salary rates for all occupations in their business.

Importantly, these additional requirements are a significantly lower bar than the standard category 3 and 4 requirements – meaning ATTs get a fast lane not just for cross-border movement of goods, but can also better support their operations with foreign talent.

Our analysis of other Trusted Trader-equivalent programs indicates that this is a world first benefit unique to the Australian program and the DIBP should be commended for recognising the important role that workforce mobility plays in supporting international business.

### ***Signing of Australia – Hong Kong MRA***

On 7 July 2017, Australia signed its second MRA with Hong Kong. Under the MRA, the Hong Kong Authorized Economic Operator Programme (HKEOP) and the ATT program are mutually recognised. In Hong Kong, accredited Trusted Traders will receive the same trade facilitation benefits as HKEOP members. This includes reduced examination and prioritised clearance by the Hong Kong Customs and Excise Department.

We expect this recent signing to provide significant facilitation benefits to businesses already using Hong Kong as a beachhead to the mainland China market, and accelerate negotiations with other key trading partners. Australia currently has MRA negotiations underway with South Korea, Japan, China, Canada and Singapore – so watch this space.

### ***The takeaway***

The recent developments within the ATT program show the willingness of the DIBP to expand and incorporate new and innovative benefits to help achieve the program's desired goals. ATT remains a unique opportunity for international businesses to reduce supply chain costs, improve speed to market, free up working capital and now, enhance workforce mobility.

### ***Let's talk***

For a deeper discussion of how these issues might affect your business, please contact:

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