



Australian Government
Department of Immigration and Citizenship

[Mail merge: Insert Sponsor's business name and address]

Dear Sponsor,

14 September 2009 Changes to the Subclass 457 Business (Long Stay) visa program

Late in June 2009, I sent you an information package outlining the changes to the Subclass 457 – Business (Long Stay) visa program that applied to employers of Subclass 457 visa holders from 1 July 2009. I am writing to provide you with further information regarding these changes which take effect from 14 September 2009.

New Sponsorship Obligations

Sponsors of Subclass 457 visa holders must meet a number of sponsorship obligations. The new sponsorship obligations replace the previous regime where sponsors were required to adhere to a set of sponsorship undertakings. A fact sheet is provided with this letter that outlines these new sponsorship obligations. There are transitional arrangements in place for some of these obligations.

For more information, visit <http://www.immi.gov.au/skilled/skilled-workers/sbs/obligations-employer.htm>

Market salary rates

Standard business sponsors are required to pay all new Subclass 457 visa holders market salary rates, unless the annual earnings of the person identified in the nomination are \$180 000 or more. If the market salary rate for the position is below the Temporary Skilled Migration Income Threshold of \$45 220, the nomination application could be refused.

Under transitional arrangements, standard business sponsors currently paying an existing Minimum Salary Level (MSL) to Subclass 457 visa holders already in Australia have until 1 January 2010 to implement any pay increases for existing visa holders that will result from the introduction of market salary rates.

For more information, visit <http://www.immi.gov.au/skilled/457-market-salary-rates.htm>

Private Health Insurance Changes

All visas granted on or after the 14 September 2009 are subject to Condition 8501 requiring visa holders to maintain adequate arrangements for health insurance for the duration of their stay in Australia. People who hold a Subclass 457 visa which was granted before 14 September 2009 are not subject to Condition 8501.

If you require additional information about health insurance, visit <http://www.immi.gov.au/skilled/457-health-insurance-faq-sponsor.htm>

New Tax Checks

The Minister for Immigration and Citizenship, Senator Chris Evans, announced details of new legislation allowing information sharing between the department, the Australian Taxation Office (ATO) and other enforcement bodies, which came into effect on 14 September 2009. With improved information sharing provisions between government agencies, the Department will have the capacity to monitor visa holders, specifically in relation to whether they are being paid the relevant 'market salary rate' to help ensure that correct salary levels are being paid to visa holders, and that Australian wages and conditions are not being undermined.

For further information, visit <http://www.minister.immi.gov.au/media/media-releases/2009/ce09084.htm>

people our business

Amount of Sponsorships Allowed

Each business entity may only have one standard business sponsorship approved at any one time. However, sponsorships approved before 14 September 2009 will not cease until the sponsorship validity ceases, or when the nomination ceiling is reached. Employers can therefore continue to nominate under these sponsorships as well.

The Package of Integrity Reforms

As you are aware, the Minister for Immigration and Citizenship, Senator Chris Evans, announced key reforms to the Subclass 457 Business (Long Stay) visa program on 1 April 2009. Since the Minister's announcement, the reforms have been progressively implemented that affect your sponsorship under the program. These include:

- **From 14 April 2009** – increasing the minimum language requirement from an International English Language Testing System (IELTS) average score of 4.5 to 5 for certain nominated occupations. From 14 September 2009, applicants are now required to achieve a score of at least 5 in **each** of the four components of the IELTS test;
- **From 15 May 2009** - the revision of a range of gazetted occupations available under standard business sponsorship to include occupations in the Australian Standard Classification of Occupations (ASCO) major groups 1 to 4 only. Employers who seek to employ subclass 457 visa holders in any occupation not included on the Legislative Instrument can now only do so through a labour agreement;
- **From 27 June 2009** - the requirement for Subclass 457 visa sponsors to attest to having a strong record of, or demonstrated commitment to, employing local labour and non-discriminatory employment practices;
- **From 1 July 2009** - the indexation of the Minimum Salary Level (MSL) for all new and existing Subclass 457 visa holders by 4.1 per cent;
- **From 1 July 2009** - the progressive introduction of a formal skills assessment for Subclass 457 visa applicants in trade occupations and chefs to confirm that workers have the skills required to perform their intended work in Australia;
- The current development of training benchmarks to clarify the existing requirement on employers to demonstrate a commitment to training local labour; and
- **From 14 September 2009** – market salary rates and other reforms under the Migration Legislation Amendment (Worker Protection) Act 2008.

For information on all the reforms to the Subclass 457 visa program, please visit http://www.immi.gov.au/skilled/whats_new_457.htm

If you have any enquiries relating to the reforms, please contact the department at <http://www.immi.gov.au/contacts> or telephone 131 881.

Yours sincerely

(Electronically signed)

Peter Vardos PSM
First Assistant Secretary
Migration and Visa Policy Division

28 September 2009