



Changes to accredited sponsorship arrangements for 1 July 2017

What is changing?

The required characteristics that a Standard Business Sponsor needs to meet to become an 'Accredited Sponsor' are changing. On hand and new sponsorship applications will be assessed against the new set of expanded criteria as of **1 July 2017**.

Why are these changes being made?

These changes are designed to ensure that a larger number of lower risk sponsors have access to accreditation and the priority allocation and streamlined processing arrangements that this entails. This will further reduce subclass 457 processing times overall, whilst at the same time maintaining the Government's focus on Australian workers receiving priority where skills shortages exist.

What are the new accreditation characteristics?

The new accreditation characteristics are divided into four distinct categories.

- **Category 1:** Relates to Standard Business Sponsors that are Australian government agencies (Commonwealth, state and territory)
- **Category 2:** Relates to Standard Business Sponsors that are approved [Australian Trusted Traders](#)
- **Category 3:** Relates to Standard Business Sponsors categorised as "Low risk" with low volume usage (of the 457 programme) and high percentage of Australian workers (at least 90%)
- **Category 4:** Relates to Standard Business Sponsors categorised as "Low risk" with high volume usage (of the 457 programme) and medium percentage of Australian workers (at least 75%).

To qualify for accredited status, a sponsor must still meet all the requirements for standard business sponsorship **and** demonstrate they meet the additional characteristics in one of the four categories above.

457 Sponsorship Accreditation benefits

The benefits that Accredited Sponsors receive will remain unchanged from 1 July 2017. These benefits are as follows:

- Sponsorship is valid for six years
- Priority allocation of all nomination and visa applications
- Additional streamlined processing of certain low-risk nominations.

Existing Accredited Sponsors will not be impacted by the 1 July 2017 changes. They will continue to access the priority allocation and streamlined processing arrangements that they currently receive.

In order to qualify for Accredited Status, a sponsor must meet all the requirements for Standard Business Sponsorship and meet **all** of the following additional characteristics of one of the four categories in **Table 1**.

Table 1 – New accreditation categories and required characteristics

Category	Required Characteristics
Category 1 Commonwealth, state and territory government agencies	<ul style="list-style-type: none"> • Have Australian workers comprising at least 75% of their workforce in Australia
Category 2 Australian Trusted Traders	<ul style="list-style-type: none"> • Have Australian workers comprising at least 75% of their workforce in Australia • Engage all 457 holders 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)** • Have all Australian employees 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**
Category 3 Low volume usage (of the 457 programme) and high percentage of Australian workers (at least 90%)	<ul style="list-style-type: none"> • Be a publicly-listed company or a private company with at least AUD four million annual turnover for the last two years • Have been an active 457 sponsor for at least two years • Have no adverse monitoring outcomes • Have sponsored at least one (1) primary 457 visa holder in the two years prior to the application for accreditation • Have a non-approval rate of less than 3% for the previous two years • Have Australian workers comprising at least 90% of their workforce in Australia; • Engage all 457 holders 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)** • Have all Australian employees 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** • Have provided details of all business activities undertaken by their business to the department** • Have provided details of all Principals / Directors of their business to the department**
Category 4 High volume usage (of the 457 programme) and medium percentage of Australian workers (at least 75%)	Characteristics are the same as Category 3 with <u>two differences</u> : <ul style="list-style-type: none"> • Have sponsored at least ten (10) primary 457 visa holders in the two years prior to the application for accreditation • Have Australian workers comprising at least 75% of their workforce in Australia

** Additional evidentiary documentation must be provided against these characteristics.

Additional evidentiary documentation

Sponsors who wish to meet the requirements outlined above for **Category 2, 3 or 4** must provide the following additional evidentiary documentation together with their sponsorship applications:

Table 2 – Evidentiary documentation

Requirement	Evidentiary documents (impacted categories)
Engage all 457 holders 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)	Copy of a template contract used for this purpose must be attached to the application (Category 2, 3 or 4)
Have all Australian employees 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	Copy of the Enterprise Agreement or internal salary table must be attached to the application in addition to evidence and a description of how the business used the evidence to determine that the salary rates contained in the document reflect the current market salary rates for occupations in their business (e.g. Awards, remuneration surveys, job advertisements, the Australian Government’s Job Outlook) (Category 2, 3 or 4)
Have provided details of all business activities undertaken by their business to the department	Evidence relating to the other business activities must be attached to the application (e.g. profit/loss statements, Business Activity Statements, annual reports) (Category 3 or 4)
Have provided details of all Principals / Directors of their business to the department	If the business is a company, a current/historical extract from the Australian Securities and Investments Commission must be attached to the application (Category 3 or 4)

How do I apply for accreditation?

From 1 July 2017, existing Standard Business Sponsors can apply for accredited status by lodging a sponsorship variation application using form 1196(Internet) and asking to be considered for sponsorship accreditation. Additional evidentiary documentation must be provided at the time of application.

Businesses that are not existing Standard Business Sponsors at 1 July 2017 must apply to become a sponsor before they can be assessed for accredited status. Applications for a Standard Business Sponsorship must be lodged online via the Department’s website.

As part of the application form, applicants are asked if they wish to become Accredited Sponsors. If an applicant answers ‘Yes’, the processing officer will know to assess the application against the relevant accreditation characteristics.