

A GUIDE TO THE SKILLING AUSTRALIANS FUND

When did it start?

The Skilling Australians Fund (SAF) came into effect on the 12th August 2018.

What is it?

The SAF is managed by the Department of Education and Training and it aims at offering support to employers, apprentices and trainees by ensuring the Vocational Education and Training Sector responds to industry needs.

From 12th August 2018, employers seeking to sponsor temporary or permanent overseas workers are required to pay a levy/contribution to the SAF.

The idea is that employers seeking to access skilled overseas workers are now required to contribute to the skills development of Australians.

The SAF levy/contribution replaces any other training requirements that employers were subject to before, such as the investment in training Australian employees to at least 1% of the business annual payroll or contribution of 2% of the business annual payroll to an Industry Fund.



To whom does the SAF contribution apply?

All employers seeking to sponsor overseas workers for the temporary **Subclass 482 TSS Visa**, which replaced the Subclass 457 Sponsorship Visa.

All employers seeking to nominate overseas workers for permanent employer visas **Subclass 186 ENS** or the permanent employer visa **Subclass 187 RSMS**.

How much does an employer have to pay?

The SAF contribution amount is payable in full when lodging a nomination application and it is paid per nomination (per employee being sponsored).

The amount employers will pay vary according to:

- the business turnover; and
- the proposed period of the worker's visa if applying for a temporary visa.

If the business has turned over less than \$10 million in the 12 months prior to lodging a nomination, the contribution will be:

- a one-off fee of \$3,000 payable at the time the nomination for a Permanent 186 ENS or 187 RSMS is lodged;
- \$1,200 for each year of the Subclass 482 TSS visa - so if you are proposing a 2-year visa the payment will be \$2400 while if you are proposing a 4-year visa the payment will be \$4,800.

If the business has turned over more than \$10 million in the 12 months prior to lodging a nomination, the contribution will be:

- a one-off fee of \$5,000 payable at the time the nomination for a Permanent 186 ENS or 187 RSMS is lodged;
- \$1,800 for each year of the Subclass 482 TSS visa - so if you are proposing a 2-year visa the payment will be \$3,600 while if you are proposing a 4-year visa the payment will be \$7,200.00.

SAF levy payments are tax deductible.

Are there cases when an employer can get a refund?

There are circumstances in which the money paid to the SAF can be refunded, but they are very few.

They don't include clerical errors or accidental mistakes in the online application forms, nor do they include refunds in case the employee doesn't qualify for the visa and the visa is refused for lack of skills or non-related qualifications.

So more than ever, we think that employers and future sponsored employees need to first consult with a Registered Migration Agent, to find out if the nomination and the visa would be approved before embarking on this visa journey.

Then you need to have a Registered Migration Agent work on the applications to avoid common mistakes and losing the contribution to the SAF for avoidable mistakes.

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