

## AMBER MIGRATION NEWSFLASH

*18 April 2017*

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### Major reforms to the employer sponsored migration visa program (including visa subclass 457)

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As you will no doubt have heard today, the Prime Minister, Malcolm Turnbull, has suddenly announced the abolition of the existing Subclass 457 Temporary Work (Skilled) visa which is to be replaced with the Temporary Skill Shortage (TSS) visa by March 2018.

We summarise below the key points in the PM's announcement:

- 2 work visa streams to be introduced, that is a Short-term stream visa enabling up to 2 years stay and a Medium-term stream that enables up to 4 years stay;
- Under the Short-term stream, only one onshore visa renewal is allowed and there is no pathway for permanent residence;
- Under the Medium-term stream, there are provisions for onshore renewals, as well as a pathway for permanent residence after three years. This stream will have higher English language and work experience requirements, with mandatory Labour Market Testing and police checks; and
- Significantly condensing the occupation lists used for skilled migration visas, including the subclass 457 visa, from **19 April 2017**.

Immediately after the PM's announcement, DIBP published the following reforms of the employer sponsored skilled migration visas on its website:

On 18 April 2017, the Government announced that the Temporary Work (Skilled) visa (subclass 457 visa) will be abolished and replaced with the completely new Temporary Skill Shortage (TSS) visa in March 2018.

The TSS visa programme will be comprised of a Short-Term stream of up to **two years** and a Medium-Term stream of up to **four years** and will support businesses in addressing genuine skill shortages in their workforce and will contain a number of safeguards which prioritise Australian workers.

This new visa is part of the Government's significant reform package to strengthen the integrity and quality of Australia's temporary and permanent employer sponsored skilled migration programmes.

Key reforms include:

- New, more targeted occupation lists which better align with skill needs in the Australian labour market;
- A requirement for visa applicants to have at least two years' work experience in their skilled occupation;
- A minimum market salary rate which ensures that overseas workers cannot be engaged to undercut Australian workers;
- Mandatory labour market testing, unless an international obligation applies;
- Capacity for only one onshore visa renewal under the Short-Term stream;
- Capacity for visa renewal onshore and a permanent residence pathway after three years under the Medium-Term stream;
- The permanent residence eligibility period will be extended from two to three years;
- A non-discriminatory workforce test to ensure employers are not actively discriminating against Australian workers;
- Strengthened requirement for employers to contribute to training Australian workers;
- The Department of Immigration and Border Protection will collect Tax File Numbers and data will be matched with the Australian Tax Office's records; and
- Mandatory penal clearance certificates to be provided.
- Tightening eligibility requirements for employer sponsored permanent skilled visas, including but not limited to:
  - tightened English language requirements;
  - a requirement for visa applicants to have at least three years' work experience;
  - applicants must be under the maximum age requirement of 45 at the time of application;
  - strengthened requirement for employers to contribute to training Australian workers; and
  - employers must pay the Australian market salary rate and meet the Temporary Skilled Migration Income Threshold.

These major reforms have been announced with no advance notice to stakeholders. We understand even senior 457 Immigration officers were unaware of the changes until they were announced.

**Amber Migration** will provide prompt updates as and when more information is available. In the interim, please don't hesitate to contact us if you have any specific queries or concerns.

If you have any questions concerning the information provided in this newsletter, please contact:

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