



# Producer Alert

## Changes to the 457 visa programme announced

Wednesday 18<sup>th</sup> April 2017

### Information

Today, the Federal Government announced that the Temporary Work (Skilled) visa (subclass 457) will be abolished. It will be replaced with the new Temporary Skill Shortage (TSS) visa in March 2018.

The new programme will have different requirements and restrictions, to ensure genuine skill gaps are filled with the most capable workers. It will have both short-term (up to two years) and medium-term (up to four years) options.

A new training fund is also being established to help train Australians to fill the skills gaps currently filled by foreign workers.

Implementation will begin immediately and will be completed in March 2018.

**Any person in Australia now on a 457 visa would not be affected by the new arrangements.**

APL has sought clarification from Government on the status of applications for 457 visas, including:

- New applications yet to be approved;
- Applications to change sponsors of existing 457 visa holders; and
- Applications for sponsors for permanent residency.

APL will also be seeking clarification of the status of the Australian pork industry template labour agreement, and that both pig farmer and agriculture technician remains on the revised skilled occupations list.

According to government documentation, key reforms include:

**Introducing the temporary skill shortage visa with new requirements, including but not limited to:**

- 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

### **Concessions for regional Australia will continue to be available:**

- Employers in regional Australia will continue to have access to occupations under the temporary and permanent visas, to reflect their skills needs.
- Existing permanent visa concessions for regional Australia, such as waiving the nomination fee and providing age exemptions for certain occupations, will be retained. Consideration will be given to expanding the occupations in regional Australia that are exempt from the age requirement.
- Significantly condensing the occupation lists used for skilled migration visas, including the subclass 457 visa, from 19 April 2017.

The above information is available at <https://www.border.gov.au/Trav/Work/457-abolition-replacement>.

Further details are expected to be released over the coming weeks. We will keep producers informed as more information comes to hand.

This decision comes after the independent review of the temporary work (skilled) visa (Subclass 457) programme and completion of the Review of the Temporary Skilled Migration Income Threshold (TSMIT).

### **Key APL Contacts**

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