

Barton Deakin Brief: Abolition of 457 Visa Programme

18 April 2017

Today, Tuesday 18th of April, the Coalition Government announced that the Temporary Work (Skilled) visa (subclass 457 visa) will be abolished and replaced with a new Temporary Skill Shortage (TSS) visa in March 2018.

The new TSS Visa programme will comprise a 'Short Term' and a 'Medium Term' stream and be underpinned by more limited occupation lists that are responsive to specific skill needs and regional variations across Australia. This shorter occupation list will take effect from Wednesday 19 April 2017.

The Prime Minister the Hon Malcolm Turnbull and Minister for Immigration and Border Protection the Hon Peter Dutton stated that the new programme will "ensure Australian workers are given first priority for jobs, while businesses will be able to temporarily access the critical skills they need to grow if skilled Australians workers are not available."

This Barton Deakin Brief outlines the key reforms.

Temporary Skill Shortage Visa

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 several safeguards which prioritise Australian workers. This new visa is part of the Government's reform package to strengthen the integrity and quality of Australia's temporary and permanent employer sponsored skilled migration programmes.

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 (set at \$53,900 as at 12 April 2016).
 - 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 address their skill 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 Medium and Long-term Strategic Skills List (MLTSSL) will replace the previous '*Skilled Occupation List*' (SOL) and is available in Schedule 1 of the relevant legislative instrument [here](#);
 - Short-term Skilled Occupation List (STSOL) replaced the previous '*Consolidated Sponsored Occupation List*' (CSOL) and is available in Schedule 2 of the relevant legislative instrument [here](#);
 - Information on which lists are relevant for particular visa programmes and about the occupations that were removed from the list of eligible skilled occupations on 19 April 2017 can be found [here](#);

The implementation of these reforms will be completed in March 2018. People currently in Australia on a 457 visa will have the conditions of that visa continue under a grandfathering arrangement.

Further information on distinct aspects of the reforms will be available on the Department of Immigration and Border Protection [website](#).



457 visa statistics to 30 September 2016¹

In the 2016-17 programme year to 30 September 2016, 11,950 subclass 457 visa holders were granted permanent residence or a provisional visa, a decrease of 21.8 per cent compared with the same period in the previous programme year (15,280).

As at 30 September 2016, the size of the subclass 457 programme has decreased when compared with the same period last programme year as indicated in the table below.

Table: 457 applications 2015-16 and 2016-17

| | 2015-16 at 30/09/15 | 2016-17 at 30/09/16 | % difference |
|---------------------------------------|---------------------|---------------------|--------------|
| Primary 457 applications lodged | 14,373 | 13,875 | - 3.5% |
| Primary 457 applications granted | 13,239 | 12,866 | - 2.8% |
| Primary 457 visa holders in Australia | 103,862 | 95,758 | - 7.8% |

Further information

To view the media release from the Prime Minister and Minister for Immigration and Border Protection, click [here](#).

For information regarding changes to the new Temporary Skill Shortage visa (including Fact Sheets), click [here](#).

For data the Department of Immigration and Border Protection's *Subclass 457 Quarterly Report*, click [here](#)

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¹ Data from Department of Immigration and Border Protection, *Subclass 457 Quarterly Report*, available [here](#)