



# Fact sheet one: Reforms to Australia's temporary employer sponsored skilled migration programme—abolition and replacement of the 457 visa

## Purpose

The purpose of this fact sheet is to advise the general public about the scope and implementation timeframes for the reforms to Australia's temporary employer sponsored skilled migration programme.

The reforms include abolishing the Temporary Work (Skilled) (subclass 457) visa (457 visa) and replacing it with the completely new Temporary Skills Shortage (TSS) visa in March 2018. The TSS will support businesses in addressing genuine skill shortages in their workforce and will contain a number of safeguards which prioritise Australian workers.

Implementation of these reforms will begin immediately and be completed by March 2018.

## What is changing?

### Changes from April 2017

From **19 April 2017**, for the existing 457 visa:

- **Occupation lists:** The occupation lists that underpin the 457 visa will be significantly condensed from 651 to 435 occupations, with 216 occupations removed and access to 59 other occupations restricted.
- Of the 435 occupations, access to 24 occupations has been restricted to regional Australia (e.g. occupations relating to farming and agriculture).
- The Consolidated Sponsored Occupation List (CSOL) will also be renamed as the new Short-term Skilled Occupations List (STSOL) and will be updated every six months based on advice from the Department of Employment.
- The other occupations list used for skilled migration, the Skilled Occupations List (SOL) will be renamed the new Medium and Long-term Strategic Skills List (MLTSSL). This list will contain occupations that have been assessed as being of high value to the Australian economy and aligning to the Government's longer term training and workforce strategies.
- A separate fact sheet about the occupation lists' changes will be issued.
- **Validity period:** The maximum duration of 457 visas issued from this date for occupations that are on the STSOL will be two years. Occupations on the MLTSSL will continue to be issued for a maximum duration of four years.

The **Medium-Term stream** will include the following criteria:

- **Renewal:** Capacity for visa renewal onshore and a permanent residence pathway after three years.
- **Occupation lists:**
  - o For non-regional Australia - the MLTSSL will apply.
  - o For regional Australia - the MLTSSL will apply, with additional occupations available to support regional employers.
- **English language requirements:** a requirement of a minimum of IELTS 5 (or equivalent test) in each test component.

Eligibility criteria for both streams will include:

- **Work experience:** at least two years' relevant work experience.
- **Labour market testing (LMT):** LMT will be mandatory, unless an international obligation applies.
- **Minimum market salary rate:** Employers must pay the Australian market salary rate and meet the Temporary Skilled Migration Income Threshold requirements.<sup>1</sup>
- **Character:** Mandatory penal clearance certificates to be provided.
- **Workforce:** A non-discriminatory workforce test to ensure employers are not actively discriminating against Australian workers.
- **Training requirement:** a strengthened training requirement for employers to contribute towards training Australian workers.

The detailed policy settings for several of these requirements will be finalised through the implementation process. Further details on these requirements to inform stakeholders will be available in due course.

## Why are these changes being made?

These measures will sharpen the focus of Australia's employer sponsored skilled migration programmes to ensure they better meet Australia's skills needs, increase the quality and economic contribution of skilled migrants and address public concerns about the displacement of Australian workers.

### Who is affected?

Current 457 visa applicants and holders, prospective applicants, businesses sponsoring skilled migrants and industry. Existing 457 visas will continue to remain in effect.

457 visa applicants that had lodged their application on or before 18 April 2017, and whose application had not yet been decided, with an occupation that has been removed from the STSOL, may be eligible for a refund of their visa application fee. Nominating businesses for these applications may also be eligible for a refund of related fees.

## More information

More information about these reforms is available on the Department's website at [www.border.gov.au](http://www.border.gov.au).

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<sup>1</sup> Set at \$53,900 as at 12 April 2016.