



Fact sheet two: Reforms to Australia's permanent skilled migration program

Purpose

The purpose of this fact sheet is to advise the general public about the scope and implementation timeframes for reforms to the following permanent skilled migration programs:

- Employer Nomination Scheme (subclass 186) visa (ENS visa)
- Regional Sponsored Migration Scheme visa (subclass 187) visa (RSMS visa)
- Skilled – Independent (subclass 189) visa
- Skilled – Nominated (subclass 190) visa
- Skilled – Regional (Provisional) (subclass 489) visa.

Implementation of these reforms commenced on 19 April 2017 and will be completed in March 2018.

These reforms complement associated changes to Australia's temporary employer sponsored skilled migration program. See fact sheet titled: Reforms to Australia's temporary employer sponsored skilled migration program—abolition and replacement of the 457 visa.

What has changed?

March 2018

From 18 March 2018, for permanent employer sponsored skilled visa programs:

- Occupation lists: The Medium and Long-term Strategic Skills List (MLTSSL) will now apply to the Direct Entry (DE) stream for the ENS.
 - The MLTSSL will also apply to the Temporary Residence Transition (TRT) stream for the ENS.
 - The occupations eligible for the RSMS will remain unchanged.
- Minimum market salary rate: Employers must pay the Australian market salary rate and meet the Temporary Skilled Migration Income Threshold.
- Residency: The eligibility period to transition to permanent residence will be extended from two to three years.
- Work experience: At least three years' work experience relevant to the particular occupation will be required.
- Age: All applicants must be under the maximum age requirement of 45 at the time of application.
- Fees: Nominations for an ENS visa under a labour agreement will be required to pay a nomination fee, unless the position is located in regional Australia.

A range of amendments have also been introduced to enhance the integrity of the ENS and RSMS visas.

January 2018

The occupation lists were updated following a review by the Department of Jobs and Small Business.

July 2017

From 1 July 2017, for permanent employer sponsored skilled visa programs:

- Occupations lists: The first regular review of the occupation lists was conducted based on extensive consultations with industry, labour market analysis and advice from government agencies.
- English language requirements: A requirement of an International English Language Testing System (IELTS) (or equivalent test) score of 6 in each component was applied.
- Age: A maximum age requirement of 45 at the time of application applies to Direct Entry stream applicants. A maximum age requirement of 50 at the time of application continues to apply to Temporary Residence Transition stream applicants.
- Integrity: A range of amendments were introduced to enhance the integrity of the ENS and RSMS visas, including requiring the nominated position to be genuine, and removal of the English language and skills exemption for applicants whose nominated earnings would be over \$180,000.

For points-tested visas – subclass 190, subclass 189, and subclass 489 visas:

- Age: all applicants for these visas were required to be under 45 years of age at the time they are invited to apply.
- Occupations lists: the changes to the occupations lists for skilled migration reduced the number of occupations available for these visas.

April 2017

From 19 April 2017, for new applicants for permanent employer sponsored skilled visa programs:

- Occupation lists: The occupation list for the ENS visa was significantly condensed, with 216 occupations removed, and access to 24 occupations restricted to regional Australia (e.g. occupations relating to farming and agriculture).
- The Consolidated Sponsored Occupation List (CSOL) was renamed the new Short-Term Skilled Occupations List (STSOL). This list contains occupations required to meet critical, short-term skills needs.
- The Skilled Occupations List (SOL) was renamed the new MLTSSL. This list contains 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.
- These lists are being reviewed regularly from 1 July 2017 by the Department of Jobs and Small Business.

How the changes apply

Existing visa applications are not affected.

Nominations for an ENS or RSMS visa lodged before 18 March 2018 will be processed under the old requirements for nominations.

- The related visa application will be processed under the old visa requirements.

Nominations and related visa applications lodged on or after 18 March 2018 will need to meet the new requirements.

If an employer lodges a nomination for an ENS visa before 18 March 2018 for an occupation that is subsequently removed from the relevant occupation list on 18 March 2018, that nomination and associated visa application will not be affected by the occupation's removal.

Transitional arrangements for the 18 April 2017 cohort

People will be able to access transitional arrangements if they meet both the following circumstances

1. The person held, or had applied for and was subsequently granted, a subclass 457 visa on 18 April 2017
2. If, at the time the person applies for an ENS or RSMS visa under the TRT stream, they hold either the same subclass 457 visa, a new subclass 457, a TSS visa in either the short or medium-term streams, or a bridging visa related to a subclass 457 or TSS visa application.

Eligible persons will be able to access certain provisions under the TRT stream:

- no occupation list requirements (i.e. there are no restrictions as long as the nominee continues to work in the same position for the same employer as approved for their subclass 457 visa) ;
- the age requirement will remain at less than 50 years of age; and
- the work experience requirement, and the requirement to have worked at least two out of the three years prior to nomination on a subclass 457, will remain at two years.

They will be required to meet the other visa eligibility criteria under the TRT stream.

Should people in this group wish to access these provisions, they will need to apply for an ENS or RSMS visa under the TRT stream by **18 March 2022**.

People who applied for and were granted a subclass 457 visa between 18 April 2017 and 18 March 2018

Subclass 457 visa holders who lodged applications after the Government's 18 April 2017 announcement are unable to access the transitional provisions under the TRT stream of the ENS and RSMS set out above.

Upcoming changes

Intended changes in 2018

RSMS:

- Eligible occupations: All occupation lists will be updated in July 2018 following the next regular consultation and review led by the Department of Jobs and Small Business.
- Skills assessment: all applicants for a RSMS visa under the DE stream will be required to have their skills assessed.

Subject to the passage of relevant legislation:

- Tax File Number collection: The Department of Home Affairs (the Department) will commence the collection of Tax File Numbers for these visa holders, and data will be matched with the Australian Tax Office's records to ensure that visa holders are not paid less than their nominated salary.
 - The *Migration and Other Legislation Amendment (Enhanced Integrity) Bill 2017* was introduced to Parliament on 16 August 2017.
- Skilling Australians Fund: Employers nominating a worker for an ENS or RSMS visa will be required to pay a contribution to the Skilling Australians Fund.

- The contribution will be payable in full at the time the worker is nominated and will be \$3,000 for small businesses (those with annual turnover of less than \$10 million) and \$5,000 for other businesses.
 - The *Migration Amendment (Skilling Australians Fund) Bill 2017* was introduced to Parliament on 18 October 2017.

Why are these changes being made?

The Government is changing the eligibility requirements for some permanent skilled visas to better align the permanent and temporary programs.

These measures will sharpen the focus of Australia's skilled migration programs 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?

Those affected are prospective permanent employer sponsored visa applicants, businesses sponsoring skilled migrants, and points-tested visa applicants.

More information

More information about these reforms is available on the Department's website at www.homeaffairs.gov.au/Trav/Work/457-abolition-replacement.

The Department of Jobs and Small Business is responsible for reviewing and recommending eligible occupations for the STSOL and MLTSSL. For more information, including how to make a submission for the next review, please visit the Department of Jobs and Small Business' website www.jobs.gov.au/SkilledMigrationList.