



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 by 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 is changing?

Changes from 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 Medium and Long-term Strategic Skills List (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 will be reviewed every six months from 1 July 2017 by the Department of Employment.

Changes from 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.
- **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 have been introduced to enhance the integrity of the ENS and RSMS visas, including through 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 will need 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.

Intended Changes in December 2017 / January 2018

Before **31 December 2017**, for permanent employer sponsored skilled visa programs:

- **Tax File Number collection:** The Department of Immigration and Border Protection (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.
- To implement this reform the *Migration and Other Legislation Amendment (Enhanced Integrity) Bill 2017* was introduced to Parliament on 16 August 2017.

The occupation lists will be reviewed by the Department of Employment in **January 2018**.

Changes from March 2018

From **March 2018**, for permanent employer sponsored skilled visa programs

- **Occupation lists:** The MLTSSL will now apply to the Direct Entry stream for both the ENS and the RSMS, with additional occupations available through the RSMS to support regional employers.
- **Minimum market salary rate:** Employers must pay the Australian market salary rate and meet the Temporary Skilled Migration Income Threshold.¹
- **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.

¹ Set at \$53,900 as at 12 April 2016.

- **Age:** All applicants must be under the maximum age requirement of 45 at the time of application.
- **Training requirement:** 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:
 - o payable in full at the time the worker is nominated.
 - o \$3,000 for small businesses (those with annual turnover of less than \$10 million) and \$5,000 for other businesses.

People who held, or had applied for, a subclass 457 visa on 18 April 2017 will be able to access certain existing provisions under the Temporary Residence Transition stream:

- occupation requirements remain the same (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.

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.border.gov.au/Trav/Work/457-abolition-replacement.

The Department of Employment 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 Employment's website www.employment.gov.au/SkilledMigrationList.