



Global Employer Services: Australian Newsflash 1 July 2017 changes to Australia's skilled migration programmes

On 18 April 2017, the government announced a series of reforms to the temporary and permanent skilled migration programmes. The second phase of these changes come into effect on 1 July 2017.

The main changes are summarised below.

Changes to list of eligible skilled occupations

From 1 July, 36 occupations have been added to the lists and there has been some movement of occupations between the Short Term Skilled Occupation List (STSOL) and the Medium Long Term Skilled Occupation List (MLTSOL). In addition, 12 occupations have been removed.

The new list of eligible skilled occupations will apply for all 457 applications lodged on or after 1 July, and applications currently under consideration by the Department of Immigration and Border Protection (DIBP).

For visa categories other than 457 who use the skilled occupations lists, for example, employer nomination scheme - direct entry, the revised lists will only apply to applications lodged on or after 1 July.

Character requirements

All 457 applications lodged on or after 1 July, must be accompanied by relevant penal checks. A police clearance certificate is required for each country applicants have lived in, for a cumulative total of 12 months or more, during the last 10 years (since turning 16 years of age). In addition, military record or discharge papers are required for service in the last 10 years, as well as police certificates from the countries of service.

English language exemptions

The English language salary exemption threshold will not be available for 457 applications lodged on or after 1 July. The other English language exemptions will continue to apply.

In addition, applicants who are an employee of an overseas business coming to Australia to work for that company, and have a nominated base rate of pay of at least AUD\$96,400 will be exempt from the English language requirement.

Mandatory skills assessments

The Department of Education and Training's Trades Recognition Australia (TRA) 457 skills assessment programme will be expanded to include passport holders from Bangladesh, Nepal and Pakistan applying for a subclass 457 visa or permanent skilled migration in the occupations of Chef and Cook. This will apply only to 457 applications lodged on or after 1 July.

Training benchmark

As previously advised, from March 2018 the training benchmark will be replaced by a requirement to pay the Skilling Australians Fund (SAF). The training benchmark requirements will be specified in an instrument instead of policy from 1 July. The instrument is designed to improve the integrity of the current requirements, for example, by defining payroll and clarifying acceptable versus non acceptable training expenditure. This instrument will apply to sponsorship applications lodged on or after 1 July.

Sponsorship accreditation

The requirements to become an accredited standard business sponsor will be expanded from 1 July, to provide a larger number of lower risk sponsors access to accreditation and the associated benefits. The new accreditation characteristics are divided into four categories. Each category relates to a distinct type of standard business sponsor:

Category 1 – Australian government agencies

Category 2 – approved Australian trusted traders

Category 3 – “low risk” with low volume usage of the 457 programme and at least 90% Australian workers

Category 4 – “low risk” with high volume usage of the 457 programme and at least 75% Australian workers

Sponsors must meet all the requirements for standard business sponsorship and additional characteristics to qualify for accredited status. The additional evidentiary documentation requirements differ depending upon the category of accreditation being sought.

Permanent residence under the employer nomination (ENS) and regional sponsored migration scheme (RSMS)

The relevant changes to ENS and RSMS that will come into effect on 1 July are:

- English language requirement will change to “competent” (IELTS 6.0) for all applications
- the English language and skills assessment exemptions for both ENS and RSMS has been removed for applicants who have nominated earnings at least equivalent to the current Australian Taxation Office top individual income tax rate (AUD 180,001). This will also apply to applications lodged before 1 July 2017 that have not been finally determined. Please note, DIBP did not consult on this particular change, as they believe the amendments do not substantially alter existing arrangements.
- age limit of 45 for direct entry applicants
- evidence must be submitted to demonstrate a ‘genuine need’ for the person to work in the nominated position
- the nominee must be identified in the nomination application
- ENS direct entry will be impacted by changes to the skilled occupation lists
- RSMS and the ENS temporary residence transition stream are not currently impacted by occupational lists
- temporary residence transition stream will remain unchanged until March 2018. Proposed changes and transitional arrangements are yet to be announced

Visa application charges

There will be an increase in the visa application charge for applications lodged on or after 1 July. The below tables summarise the charges for Subclass 457 and Subclass 186 applications:

Subclass 457 visa

	Pre 1 July fees – single applicant	Post 1 July fees – single applicant	Pre 1 July fees – 2 adults and 2 children (under 18)	Post 1 July fees - 2 adults and 2 children (under 18)
Visa application for main applicant and dependents over 18	\$1,060	\$1,080	\$1,060 x 2 (\$2,120)	\$1,080 x 2 (\$2,160)

Visa application for dependant applicant aged under 18			\$265 x 2 (\$530)	\$270 x 2 (\$540)
Grand total	\$1,060	\$1,080	\$2,650	\$2,700

Subclass 186 Visa

	Pre 1 July fees – single applicant	Post 1 July fees – single applicant	Pre 1 July fees – 2 adults and 2 children (under 18)	Post 1 July fees - 2 adults and 2 children (under 18)
Visa application for main applicant and dependents over 18	\$3,600	\$3,670	\$3,600 x 2 (\$7,200)	\$3,670 (\$7340)
Visa application for dependant applicant aged under 18			\$900 x 2 (\$1,800)	\$920 x 2 (\$1,840)
Grand total	\$3,600	\$3,670	\$9,000	\$9,180

** Please note the charges detailed above exclude the credit card surcharge imposed by DIBP

New Zealand Pathway

New Zealand citizens who were usually resident in Australia on or before 19 February 2016 as the holder of a New Zealand special category visa, and who have resided in Australia for at least five years, may be eligible to apply for permanent residence under a new pathway within the Skilled Independent visa.

New Zealand citizens who are granted this visa will be eligible to apply for Australian citizenship after a period of 12 months.

Deloitte's view

Deloitte have undertaken extensive consultation with the Government since the abolition of the Subclass 457 visa was announced in April 2017. We are pleased the Government has responded to concerns regarding the removal of a number of skilled occupations where a genuine shortage of skills exist in Australia. In addition, the movement of occupations from the STSOL to the MLTSOL responds to business concerns regarding the time required to transfer skills and knowledge. The introduction of some flexibility for intra company transfers with respect to the English language requirement is recognition of the importance of multinational corporates being able to transfer talent on a global basis to meet specific needs.

Deloitte believe the 1 July reforms announced by the Government provide a greater level of clarity about the temporary and permanent skilled migration programmes, and the areas of focus to maintain the integrity of the program. Deloitte are pleased the Government has provided the opportunity for consultation and dialogue with respect to the initial impact of the April changes on businesses managing a global workforce in Australia, and hopes this continues as the remainder of the reforms are implemented.

Contacts

Fiona Webb (Melbourne)
(MARN: 0530696)
Partner
Deloitte Australia
+61 3 9671 6334
fwebb@deloitte.com.au

Mark Wright (Sydney)
Partner
Deloitte Australia
+61 2 9322 7454
mawright@deloitte.com.au

Sasha Grimm (Perth)
Director
Deloitte Australia
+61 8 9365 7388
sgrimm@deloitte.com.au



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