

A more skilled labour force – Attracting the best and brightest to meet Australia’s skill needs

Highly skilled migrants are critical for a strong and vibrant economy, bringing know-how, innovation and entrepreneurship and also helping to plug short-term skills gaps. As part of its Industry Innovation and Competitiveness Agenda, the Government is taking further action to facilitate skilled migration, through reforms to elements of both the temporary and permanent migration programmes. Strong safeguards remain in place to ensure that businesses utilise Australia’s temporary migration programme to address genuine skills shortages.

Liberalising the subclass 457 visa programme

Skilled migration plays an integral role in Australia’s economic policy and the temporary 457 programme is the cornerstone of one of the most well-managed skilled migration programmes in the world.

Employers overwhelmingly prefer to hire Australian workers as it is cheaper and faster to fill skills requirements locally where there are suitable workers. But the 457 programme is very important for filling roles with temporary skilled migrants where there are genuine skills shortages.

Unnecessary red tape has reduced the 457 programme’s flexibility and responsiveness. In February 2014, the Government commissioned an independent review into the integrity of the 457 programme, to evaluate programme settings and to ensure that any future changes to the programme are based on evidence and analysis. The aim of the review was to examine whether the current legislative and regulatory framework is appropriate in managing the integrity of the 457 programme, while balancing the administrative burdens placed on business.

The 457 Programme

The 457 visa programme is a temporary programme aimed at meeting skills shortages. It is uncapped, demand driven and designed to be responsive to immediate business needs. The programme allows businesses to address labour shortages by sponsoring genuinely skilled overseas workers. Strong safeguards against abuse remain in place.

On 10 September 2014, the Government released the panel’s report, ‘Robust New Foundations’. The report’s 22 recommendations are designed to make it easier for businesses to access skilled workers, while ensuring that there is a strong integrity framework underpinning the 457 programme.

The Government will reform the 457 visa programme in line with the review’s key recommendations. In particular, we will reduce, where appropriate, burdens placed on business by unnecessary regulations, while enhancing the integrity of, and compliance within the programme to ensure that Australian workers have priority. The Government will:

- ▶ streamline the processing of sponsorship, nomination and visa applications by rewarding low-risk applicants and re-focussing compliance and monitoring activities on high-risk applicants;
- ▶ reform sponsorship requirements to reduce the time and cost to businesses;
- ▶ increase the sponsorship approval period from 12 to 18 months for start-up businesses, to give start-ups more time to build their businesses to ensure sustainability;
- ▶ provide greater flexibility in relation to English language testing and skill requirements for 457 applicants, to ensure that the standards required are appropriate for the industries and occupations being sought; and
- ▶ retain the Temporary Skilled Migration Income Threshold at \$53,900 ahead of a **future** review of its operation.

We will continue to work with industry to ensure that the process of recruiting overseas workers is less cumbersome and expensive. At the same time, the Government will improve employment opportunities and outcomes for Australians.

Legislative and administrative changes to give effect to these decisions will commence in October 2014 and be rolled out in phases during 2014-15.