

Impact on Automotive of 457 Visa changes

Members should be aware that on 18 April 2017 the Australian Prime Minister, Malcolm Turnbull, announced that the Australian Government intends to abolish the 457 visa program and will replace the 457 program with a new temporary visa program.

It is important to note that at this stage, the current 457 visa program has not yet been abolished and the full details of the replacement temporary visa program has not yet been released.

VACC has received a summary of the proposed changes announced by the government and can advise the following information to members below.

The new Temporary Skill Shortage Visa program will comprise two streams, namely, Short Term and Medium Term – and will be underpinned by more focused occupation lists that are responsive to genuine skill needs and regional variations across Australia.

Short term Visas

- will be issued for two years
- there will be no pathway to permanent residency under the 2 year visa
- an application fee of \$1,150.

Medium term visas

- will be issued only for more critical skills shortages and for up to four years
- high standard of English language requirement
- mandatory labour market testing for majority of applications
- an application fee of \$2,400.

Further information regarding both streams

- both streams will include mandatory labour market testing with limited exemptions
- a new non-discriminatory workforce test
- mandatory criminal history checks
- a market salary rate assessment and a new two-year work experience requirement.

The new visa will also include a strengthened training obligation for employers sponsoring foreign skilled workers to provide enhanced training outcomes for Australians in high-need industries and occupations.

What automotive occupations have been affected?

Many occupations have been removed from the previous 457 scheme. In terms of eligible occupations for the new Temporary Skill Shortage Visa program, all automotive occupations from the 457 scheme have been retained, except for vehicle spray painters.

Eligible automotive occupations include:

- Automotive Electrician
- Diesel Motor Mechanic
- Engine re-conditioner
- Motor Mechanic (General)
- Motorcycle Mechanic
- Panel beater
- Small Engine Mechanic
- Vehicle Body Builder
- Vehicle Trimmer

What is the impact for regional or remote Australia?

Concessions for regional Australia will continue to be available. It is important to note the following:

- employers in regional Australia will continue to have access to occupations under the temporary and permanent visas, to reflect their skills needs
- existing permanent visa concessions for regional Australia, such as waiving the nomination fee and providing age exemptions for certain occupations, will be retained. Consideration will be given to expanding the occupations in regional Australia that are exempt from the age requirement.

When will the new changes come into effect?

The Government has not yet announced a specific date of when the new changes will come into effect, however given the announcements that have been made, it is likely that the Government changes will be introduced soon.

What action should you take in the short term?

As the new changes, have not yet come into effect, the 457 visa program and the current legislation still apply. If you have any pending 457 visa applications or ENS visa applications, with our advice we would strongly recommend that you proceed with lodgment as a matter of urgency.

Please note that until the full details of the changes and the new legislation have been released, VACC is not yet able to advise members regarding eligibility under the new changes and new program.

Members with any other queries should contact VACC Industrial Relations on 9829 1123.

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