



Australian Government
Department of Immigration and Citizenship

Dear Sponsor,

Changes to the Subclass 457 Business (Long Stay) visa program

I am writing to advise you of some important changes to the Subclass 457 visa program that will apply to employers of Subclass 457 visa holders.

Increase to the Minimum Salary Level (MSL) from 1 July 2009

In a media release on 1 April 2009 the Minister for Immigration and Citizenship, Senator Chris Evans announced a 4.1 per cent increase to the MSL (copy attached). This increase will take effect from 1 July 2009 and will apply to all new and existing Subclass 457 visa holders in relation to whom you have made an undertaking to pay the MSL. This means for example that a Subclass 457 visa holder who is currently paid at the MSL of \$43 440 must be paid at least \$45 220 for a 38-hour week from 1 July 2009. If the relevant Australian Pay and Classification Scale or Industrial Instrument specifies a higher amount, it is at least that higher amount which is payable to the Subclass 457 visa holders.

The MSL was put in place to enhance the integrity of the Subclass 457 visa program. On 1 July 2009, the new legislative instrument that will reflect this increase to the MSL will be posted on the Department's website at: <http://www.immi.gov.au/skilled/skilled-workers/sbs/occupations.pdf>

The enclosed brochure, "Subclass 457 - Business (Long Stay) visa - Information for standard business sponsors Minimum Salary Levels", outlines the sponsorship undertaking regarding the MSL that Subclass 457 sponsors will be required to meet. Also enclosed for information is a copy of a media release of 30 April 2009 relating to the work of the Federal Workplace Ombudsman.

Salary changes for Subclass 457 visa holders from mid-September

The Minister for Immigration and Citizenship has announced that from mid September the current MSL will be replaced by a market based minimum salary for all new and existing 457 visa holders from mid September 2009.

Skills Assessment

Another change to be progressively introduced from 1 July 2009 (as announced by Minister Evans on 1 April 2009) is a requirement for Subclass 457 visa applicants from some countries in trade occupations and chefs to undergo a formal skills assessment.

The skills assessment process will be administered by the Department of Education, Employment and Workplace Relations (DEEWR) through Trades Recognition Australia (TRA) and will involve assessment of skills against relevant qualifications from the Australian Qualifications Framework.

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More information on this new skills assessment process will be made available on the TRA website: www.deewr.gov.au/tra - as it becomes available.

Increased language requirement for nominated occupations

As mentioned above, the Minister for Immigration and Citizenship announced in a media release on 1 April 2009 seven changes to the Subclass 457 visa program. On 14 April 2009, the English language requirement was increased to International English Language Testing System (IELTS) 5 for certain nominated occupations for Subclass 457 visa applications lodged on or after 14 April 2009.

These changes also mean that, from 14 April 2009, all Subclass 457 Business (Long Stay) visa applicants who:

- Have a nominated occupation which requires a licence, registration or membership to perform; and
- to obtain that licence, registration or membership the applicant would be required to achieve an IELTS test average band score of more than 5;

then the applicant must have an IELTS test average band score of at least the standard required for grant of the licence, registration or membership.

Labour agreement pathway for ASCO 5-7 occupations

On 15 May 2009, the extension of the labour agreement pathway to all ASCO 5-7 occupations came into effect. Employers with existing 457 visa holders in ASCO 5-7 occupations should contact DIAC to discuss their need for a labour agreement in the future.

Training Benchmarks

The development of training benchmarks to clarify the existing requirement on employers to demonstrate a commitment to training local labour.

Requirement to Attest

The introduction of the requirement for sponsors to attest that they have a strong record of, or a demonstrated commitment to, employing local labour and non-discriminatory employment practices will be introduced soon. This measure will apply to applications for sponsorship under the Subclass 457 visa program.

If you require any additional information or clarification regarding the above information, please do not hesitate to contact the department using the contact details at: <http://www.immi.gov.au/contacts>, or phone 131881.

Yours sincerely

(Electronically signed)

Peter Vardos PSM
First Assistant Secretary
Migration and Visa Policy Division

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