

# HR & Tax Alert

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## Australia – Changes to the Temporary Business (Long Stay) Visa

April 2005

### Executive Summary

The Temporary Business (Long Stay) visa, which enables employers to recruit executive and specialist staff for temporary periods of up to four years at a time, is set to have a number of changes implemented on 2 April 2005.

The proposed changes relate to increases in the minimum base salary, alterations as to where a visa applicant must be at the time their visa is approved and the inclusion of doctors under the subclass 457 visa program.

### The Proposed Changes

The proposed changes include:

- An increase in the minimum salary level for IT professionals to \$50,775
- An increase in the minimum salary level for other occupations to \$39,100
- The ability for visa applicants who apply on or after 2 April 2005 to be either onshore or offshore at the time of decision, regardless of where they were at time of the application
- Doctors to be able to apply for subclass 457 visas and be sponsored.

### Key Outcomes

#### *Minimum Salary*

The increases in the minimum base salary are not significant but employers do need to ensure that the salary does not include superannuation or any allowances including Living Away from Home Allowance (LAFHA), commissions, bonuses etc.

#### *Onshore/Offshore requirement*

This change basically removes the previous requirement that a visa applicant should remain where they were at the time of 'lodgement' of their visa application (i.e. either in Australia or outside Australia) when their visa is approved. For example, it may now be possible for a visa applicant to lodge their subclass 457 visa application while they are overseas, come to Australia on a 90 day Business Electronic Travel Authority and have their 457 visa approved while they are still in Australia.

This is a significant change and will benefit employers and visa applicants, especially those visa applicants who travel internationally regularly.

#### *Doctors*

We understand that the inclusion of doctors on the subclass 457 visa program follows on from the

Medicare Plus package announced by the Prime Minister on 18 November 2003 which included a range of measures to increase the number of suitably qualified overseas medical practitioners working in Australia.

As part of the package, the Department of Immigration and Multicultural and Indigenous Affairs (DIMIA) wished to introduce e-lodgement for temporary resident medical practitioners and the most

efficient way to achieve this was deemed to include medical practitioners within the scope of the subclass 457. This is the Temporary Business (Long Stay) visa which already has an e-lodgement facility.

The subclass 422 Medical Practitioner visa will still be available after 2 April 2005 and may still be preferred for certain doctors. This needs to be examined on a case by case basis.

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