



# Raising the Temporary Skilled Migration Income Threshold (TSMIT)

## Raising the TSMIT to \$70,000 from 1 July 2023

The Temporary Skilled Migration Income Threshold (TSMIT) is now \$70,000. From 1 July 2023, new nomination applications will be required to meet this threshold or the annual market salary rate, whichever is higher.

- Nominations lodged on or before 30 June 2023 will need to meet the 'old' TSMIT of \$53,900.
- Nominations lodged on or after 1 July 2023 will need to meet the 'new' TSMIT of \$70,000.

The TSMIT applies to a number of skilled visas, including the Temporary Skill shortage (subclass 482), Skilled Employer Sponsored Regional (Provisional) (subclass 494), Employer Nomination Scheme (subclass 186) and Regional Sponsored Migration Scheme (subclass 187) visas.

The annual market salary rate (AMSR) is the Australian industry standard pay a worker receives for their occupation. AMSR may differ for an occupation based on years of experience, location and an employees' skills.

The AMSR ensures an overseas worker is paid no less than an Australian worker doing the same work in the same location. It can be determined by enterprise agreements or industrial awards, job outlook information, remuneration surveys, job advertisements for roles in the same location or advice from unions or employer associations.

## Why the TSMIT has been lifted

Lifting the TSMIT means the skilled visa program is targeted at highly skilled workers who are less open to exploitation. We want to ensure migrants entering Australia under these programs have sufficient income to support themselves and their families.

This is the first increase to the TSMIT since 2013. The new \$70,000 income threshold is around where the TSMIT would have been if it had been indexed to average weekly ordinary time earnings growth over the last 10 years.

## Labour Agreements

The new \$70,000 TSMIT will apply to labour agreement nominations lodged on or after 1 July 2023.

Existing TSMIT concessions will still be applicable, noting that the concession is a percentage reduction to the TSMIT rate relevant at the time of nomination lodgement. Salary concessions of up to 10% for TSMIT at \$53,900 are a minimum salary of \$48,510; from 1 July 2023 they are a minimum salary of \$63,000 under the new TSMIT of \$70,000.

The TSMIT change will not impact Aged Care Industry Labour Agreements which have a specified salary in dollars.

## Annual Market Salary Rate (AMSR)

Nominations must indicate a salary that is at least the TSMIT. For the Employer Sponsored Program, the salary must also be equivalent to the AMSR, to ensure employers aren't using migrant workers to undercut the wages of Australians.

While this requirement may exclude lower skilled occupations from the program, the Department is able to flexibly consider the following elements of the AMSR, as long as employers provide suitable evidence justifying their claims, including:

- What is considered equivalent work. For example, if a sponsor has a more or less experienced worker than the nominee, doing similar work at a lower or higher pay grade, then they are not an equivalent Australian worker.
- Where there is no equivalent worker or award/agreement, employers must provide evidence of how they determined the AMSR, including at least two of the following: Job Outlook information, advertisements from the last 6 months for equivalent positions in the same location, remuneration surveys completed by a reputable organisation; or written advice from registered unions or employer associations.
- What counts as guaranteed monetary earnings for an actual or theoretical equivalent Australian worker such as guaranteed overtime amounts, if an equivalent Australian worker also has access to those arrangements.
- Allowing the AMSR to include non-monetary benefits, such as accommodation or a car, where the AMSR is more than TSMIT and only if it reasonable to do so.
- Currently, it would generally only be considered reasonable to do so where: there are no concerns that non-monetary benefits are being used to artificially inflate the salary for a lower-skilled occupation and the AMSR determination is based on the guaranteed annual earnings of an equivalent Australian worker.

This does not mean migrant workers with the same experience can be paid more than Australian workers in the same position.

For more information about salary requirements, see: [Salary requirements to nominate a worker \(homeaffairs.gov.au\)](https://www.homeaffairs.gov.au)

## Salary assessments for those in Australia on a pathway to permanent residence

For 6 months until 31 December 2023, the Department will allow non-monetary benefits to go towards assessing AMSR for the Temporary Residence Transition stream of the Employer Nomination Scheme (subclass 186) visa. This is in recognition of the large increase in the TSMIT, but it is time limited to ensure it does not stifle wage growth in the longer term.

- This applies for the calculation of the AMSR only, the actual guaranteed monetary earnings of the nominated worker would need to be at least TSMIT (excluding non-monetary benefits).
- Consistent with current policy, employers need to demonstrate that an equivalent Australian worker would also have access to the same salary package.
- These cases will be carefully considered to ensure integrity of the program and that employers are not seeking to exploit workers by offering non-genuine non-monetary benefits.

## Labour Market Testing

There are no changes to labour market testing (LMT) requirements or concessions to LMT under a labour agreement. This includes requiring that the advertised salary in the LMT must reflect the nominated salary.

- If a nominated salary is more than the LMT advertised salary (e.g. LMT advertisements reflect the old TSMIT of \$53,900 but the nominated salary reflects new TSMIT of \$70,000) then LMT cannot be considered met.
- This is because, based on the evidence submitted; it would appear a genuine attempt to fill the nominated position was not conducted by advertising the position at a higher salary (above TSMIT/\$70,000) which may have attracted a different group of applicants including Australian citizens or Australian permanent residents.

## Skilling Australians Fund (SAF)

If a nomination is withdrawn or refused because the nominated salary is less than TSMIT, there is no legal provision to receive a refund of the SAF levy. Employers should ensure they meet the new salary requirements, and conduct proper labour market testing before lodging their nomination.

## Get the essentials for employers

If you're an employer wanting to employ a visa holder already in Australia or to sponsor an overseas worker, make sure you know your options and what to do. This QR code takes you to information for employers on the Home Affairs website.

