

Mobility: Immigration alert

February 2023



Australia

Immigration 2023 – A year of reviews

Executive summary

With some stability returning to visa application processing, the year ahead is also expected to bring significant changes to Australia's migration landscape with multiple reviews underway.

Visa concessions to address workforce shortages will continue into 2023. Improved pathways to permanent residence and Australian citizenship for New Zealand citizens as well as measures under Free Trade Agreements will also be implemented this year.

Processing update

Employer sponsored visas

Large numbers of applications were processed in the past few months, reducing the backlog. Current processing times are less predictable than desired:

- Temporary Skill Shortage (TSS) nominations and visas in healthcare and teaching from a few days to two weeks
- TSS with Accredited Sponsors in other sectors, two to six weeks
- TSS with other Sponsors, six to twelve weeks
- Permanent employer nomination scheme subclass 186 visas, five to nine months.

Global Talent

Applications under the Global Talent visa program are no longer receiving priority. Extremely high calibre candidates may receive priority assessment. For most candidates, likely processing times are:

- step 1: Expression of Interest in being invited to apply for a visa, 18 months
- step 2: Visa application up to seven months

Points tested skilled migration program

Another round of tens of thousands of invitations were issued in December 2022 to candidates in a broad range of occupations. However, visa processing in this category remains focused on occupations in the highest demand such as health workers and teachers. It will take some time before the overall pool of skilled workers is enlarged by points tested migrants.

Addressing workforce shortages

Concessions to support employers include:

- *Working Holiday Makers*: extension of the relaxation of the 6-month work limitation to 30 June 2023. In addition, work carried out before 1 July 2023 will not be counted towards the 6-month limitation meaning from 1 July 2023, working holiday makers may work for the same employer for an additional 6 months
- *Students*: the relaxation of work restrictions will also end on 30 June 2023. Until that date, all student visa holders may work more than 40 hours a fortnight and start work before their course commences
- *Subclass 408 Pandemic visas*: holders of this visa subject to the work limitation condition 8107 may now work unrestricted in any sector, change employment and work for more than one employer. There is no need to notify the Department of Home Affairs of any changes in employment.

Immigration portfolio reviews, consultations and other reform

[A migration system for Australia's future](#)

The first comprehensive review into Australia's migration system in decades is underway. Submissions to the Panel of Eminent Persons closed in December 2022. Targeted, direct consultations will be conducted with key stakeholders in early February 2023. An interim report will be completed by 28 February 2023 which will contain key recommendations for the 2023-24 Budget.

EY's submission focused on proposals to:

- create a more resilient skilled migration program through mechanisms to measure skill that are stable, transparent, future focused and will secure public confidence, including a new approach to skilled occupation lists
- create a more competitive migration program by improving offerings in relation to speed, simplicity and certainty
- support all sectors of the Australia economy through settings to accommodate the needs of regional employers and communities, critical sectors facing supply shortages of lower skilled workers and small business
- address exploitation of temporary workers while maintaining an efficient skilled migration program
- ensure social cohesion and international integration by balancing skilled migration with an efficient family migration program, a meaningful humanitarian program and measures to reflect Australia's particular relationship with the Pacific

[Australia's 2023-24 Permanent Migration Program](#)

EY has also contributed to the annual consultation on the ideal size and composition of the 2023-24 permanent Migration Program conducted by the Department of Home Affairs. Significantly, views on how the migration planning process can be improved have also been sought and it is likely that the annual planning process may be replaced with longer-term planning.

[Employment White Paper](#)

Reform to migration policy will also be addressed in the White Paper to be released by the end of September 2023. Recommendations in the White Paper will be informed by public submissions, including EY's, that were made in November 2022.

[Productivity Commission 5 Year Productivity Inquiry](#)

The final report of the five-year Productivity Inquiry is to be handed to the Australian Government in February 2023 and will have an important influence on government policy, including migration policy. The most recent interim report [A more productive labour market](#) includes commentary on adjustments to immigration policy to support productivity growth:

- shifting away from reliance on skill shortage lists towards a system that better enables employer-sponsored skilled migration
- removing list-based restrictions on employer-sponsored temporary skilled migration above a suitable threshold income
- removing list-based restrictions on holders of temporary skilled visas transitioning to permanent residency through sponsorship where the wage is above the same threshold
- improving job mobility for sponsored migrants by reducing the costs of employer sponsorship and making it less costly for migrant workers to take up similar or better offers
- improving enforcement of workplace laws as they pertain to underpayment and exploitation of migrant workers
- pursuing further international mutual recognition of occupational licences and otherwise addressing restrictions that can arise with regard to occupational licensing where regulatory settings are mismatched with workforce skill needs

[Updating Australian and New Zealand Standard Classification of Occupations \(ANZSCO\)](#)

Australia's skilled migration occupation lists are based on the ANZSCO. While the ANZSCO has had some minor updates, it largely describes the original 2006 version. A comprehensive review of ANZSCO has now commenced. The updated ANZSCO will be released in December 2024. Public consultation rounds will be held across 2023 and 2024. The first round of [consultations](#) on the following occupation focus areas commenced on 1 February 2023 and will be open to 28 April 2023:

- Accounting services
- Administrative services
- Aged care and disability services
- Childcare services
- Computer system design and related services
- Education and training
- Financial and insurance services
- Library and other information services
- Management and related consulting services
- Market research and advertising services
- Scientific research services
- Statistical services
- Welfare and social assistance services

To date, skilled occupation lists have not been amended in response to recent ANZSCO updates and applications must be lodged in occupations on the existing lists. It is also likely that serious consideration will be given to adjusting the role of skilled occupation lists following the Panel of Eminent Persons recommendations.

Improved pathways to permanent residence and citizenship for New Zealand citizens

- the New Zealand stream of the Skilled Independent (subclass 189) visa has been temporarily closed until 1 July 2023
- on-hand applications in this category are being finalised under streamlined requirements by a dedicated task force
- more beneficial visa arrangements for New Zealand citizens are expected by 1 July 2023
- certain New Zealand subclass 189 visa holders and family members are also now eligible to apply for Australian citizenship from the date they are granted their permanent subclass 189 visa without waiting 12 months

New Zealand entry requirements reminder

Prior to 2021, Australian permanent residents as well as Australian citizens could travel to New Zealand without obtaining authority to enter. In 2021 new requirements were introduced for permanent residents. As trans-Tasman travel grows, Immigration New Zealand has reported many permanent residents are being turned around at check-in in Australia as they do not have authority to enter New Zealand. New Zealand entry requirements can be summarised as:

- Australian passport: no requirement
- Australian permanent resident: NZeTA (New Zealand Electronic Travel Authority)
- [visa waiver country](#) passport up to 3 months: NZeTA
- visa waiver country passport more than 3 months: appropriate visa
- non-visa waiver country passport: appropriate visa

[Applications for an NZeTA](#) may be made through a mobile telephone app or online and are generally processed within 72 hours. NZeTAs are valid for multiple trips for two years.

Free Trade Agreements

India

The agreement between Australia and India came into force in December 2022. This agreement does not provide an exemption to labour market testing for Indian citizens. The agreement will provide Indian citizens with:

- access to a relatively small number working holiday visas
- longer post-study work visas for students graduating in Australia with a bachelor degree in STEM fields with First Class Honours, including ICT, to be implemented within one year

United Kingdom

The agreement between Australia and the United Kingdom is not yet in force. This agreement is expected to:

- provide an exemption to labour market testing for UK citizens
- create a new visa pathway for innovators and early career development UK citizens to come to Australia
- expand opportunities for Australian working holiday makers in the UK

Next steps

EY will continue to keep you informed about these important developments. Contact your EY Advisor to discuss any issues covered in this alert including how to participate in the range of reviews and consultations which will shape Australia's future immigration landscape.

Keep up with global border arrangements by using EY's [Global Immigration Tracker](#).

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