

Mobility: Immigration alert

April 2023



Australia

Signposting directions for immigration reform

Executive summary

Significant reform of Australia's migration program is underway. The report of the first comprehensive review of the migration program in decades, *A Migration System for Australia's Future*, has been handed to Government.

It is expected that the report will be released in coming weeks, before the 9 May 2023 Budget, after which consultation with business and other stakeholders will commence.

The Minister for Home Affairs, the Hon Clare O'Neil MP, has been clear that Government is embarking on a long-term project of structural reform that could take some years to deliver. Through various recent public forums, the Minister has also indicated the direction reform may take.

New model for migration in Australia

Eight key principles will form the foundation of reform:

- clearly defining the purpose of the migration program
- redesigning the fundamental structure including a rebalancing of temporary and permanent migration
- removing policies which have created 'permanently temporary' conditions
- strategically focusing on attracting the skills that Australia particularly regions and small businesses need
- unlocking migrant potential through improved skills and qualification recognition, including for family members
- designing out migrant worker exploitation

- integrating migration policy with labour market strategy and the training and education system including a formal role for Jobs & Skills Australia
- overhauling administration of the system including simplification

New policy directions

Various specific policy changes have also been flagged as under consideration:

- consolidation of the large number of visa categories into a simpler more business-friendly system
- revision of the system of skilled occupation lists
- increasing the minimum salary level
- replacing the current labour market testing 'box ticking exercise' with a more meaningful test
- a more nuanced approach to risk in employer sponsored visa categories:
 - facilitating intracompany transfers for employers with a proven track record, and
 - implementing policies which recognise that salary is an indicator of the risk of exploitation
- realising the potential of international students
- revising the points test system with particular attention to the contribution of skilled partners
- replacing outdated technology and greater automation
- reconsidering the benefits of the Global Talent and Business Innovation and Investment visa programs

Reforms in process

Several steps have already been taken in these directions:

- more flexible pathways to permanent residence and citizenship for otherwise permanently temporary New Zealand citizens
- certain temporary protection visa holders now have a pathway to permanent residency
- overseas students will be permitted to work 48 hours a fortnight [increased from 40] from 1 July 2023 when the work restriction recommences
- from 1 July 2023 certain overseas student graduates will be eligible for a further two-year stay on a Temporary Graduate visa which has full work rights and does not require sponsorship. To be eligible:
 - Bachelor and Master degree graduates must have a [specified qualification](#) in an occupation in demand including health, teaching, engineering, ICT and agriculture
 - Doctoral degree graduates may be in any discipline

Next steps

EY will keep you informed when details of the recommendations of the review are released and advise you of opportunities to participate in the consultation process.

We will continue to engage constructively with the reform process to advocate for:

- replacing multiple skilled occupation lists
- creating pathways to permanent residence for all temporary sponsored workers
- more flexible and commercially appropriate labour market testing
- streamlined processes for temporary skilled work visa extensions
- streamlined processes for intracompany transfers
- reducing the large number of visa categories
- a single sponsorship approval for all visas
- reducing costs for regional employers and small business
- reducing costs and more flexible visa requirements for critical sectors facing shortages of lower skilled workers
- retaining uncapped temporary skilled migration

If you wish to discuss participating in consultations or other issues discussed in this alert, contact your EY advisor.

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EYG no. 003744-23Gbl

2101-3682263
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