

Mobility: Immigration alert

December 2023

Australia

Migration Strategy - Skills in Demand visa

Executive summary

After the first comprehensive review of Australia's migration system in decades, the Australian government has announced the [Migration Strategy](#) (the *Strategy*). Most elements of the *Strategy* have been signposted in earlier government responses to the review and several announcements during 2023.

In general, the proposed reforms will simplify temporary and permanent skilled migration and are welcome. However, a significant amount of detail is still to be determined and the proposed timetable for implementation of significant reforms in late 2024 is prolonged.

Key objectives of the *Strategy* include:

- ▶ continuing support for targeted temporary skilled migration and regional migration
- ▶ reshaping permanent skilled migration
- ▶ simplifying the migration system to improve the experience for migrants and employers
- ▶ promoting worker mobility
- ▶ improving integrity and employer compliance and tackling worker exploitation
- ▶ strengthening the integrity of the student visa and graduate visa programs
- ▶ longer term multi-year migration program planning
- ▶ deepening ties with the Indo-Pacific

Implementation of some specific reforms to achieve these objectives has commenced and is welcomed:

- ▶ streamlining labour market testing
- ▶ expanding access to permanent residence for temporary skilled workers

Other reforms will be developed and implemented during the next 12 months:

- ▶ three-tiered Skills in Demand visa to replace Temporary Skill Shortage (TSS) visa with a new approach to occupation lists
- ▶ formal role for Jobs and Skills Australia (JSA) to define skills needs using evidence, including advice from tripartite mechanisms
- ▶ annual indexation of salary thresholds from 1 July 2024
- ▶ tailoring regional visas and the Working Holiday Maker program to support regional Australia and priority processing of applications for regional migration
- ▶ tightening of student and graduate visa programs
- ▶ reformed points test for independent skilled migrants
- ▶ new Talent and Innovation visa to replace Global Talent and Business Investment and Innovation visa programs

Labour Market Testing streamlining

- ▶ the requirement to advertise positions through Workforce Australia has been removed
- ▶ in late 2024, the validity period of advertising will be increased from four to six months
- ▶ consideration will also be given to moving away from employer advertising in late 2024 towards independent verification of labour market need with a role for JSA

Expanded permanent residence pathway

Eligibility for employer sponsored permanent residence was extended in November 2023 to most holders of temporary sponsored visas regardless of visa stream and occupation. The qualifying period of employment in their position in Australia was also reduced to two years.

Skills in Demand visa			
Summary of preliminary information available in <i>Migration Strategy</i> December 2023			
Pathway	Specialist Skills	Core Skills	Essential Skills
Purpose	Fast track pathway for highly skilled specialists to quickly and easily recruit top talent to drive innovation and job creation	Standard pathway for skilled employees to meet targeted workforce needs	A more regulated pathway for lower paid workers with essential skills in critical sectors, primarily care and support
Salary threshold, to be indexed annually, must also pay market salary rate	AUD135,000 <i>Specialist Skills Threshold</i>	AUD70,000 <i>Core Skills Threshold</i>	Below <i>Core Skills Threshold</i>
Occupation	Any occupation except trades workers, machinery operators and drivers, and labourers	One Core Skills Occupation list	Sector specific
Quota	May be limited	Uncapped	Capped
Processing time	7 days	21 days	
Visa validity period	Up to 4 years		
Implementation timetable	Late 2024		Further consultation during 2024
Visa holder mobility	<ul style="list-style-type: none"> ▶ 180 days to find another sponsor with permission to work during that period ▶ Explore model for employers to pay trailing charges to replace upfront SAF Levy ▶ Public register of sponsors to support worker mobility ▶ Guaranteed pathway to permanent residence and period of employment with any approved employer to count towards permanent residence requirement 		

Employer Compliance

Compliance with employer obligations and the elimination of migrant worker exploitation remains a priority focus for the government. Compliance measures outlined in the strategy to be implemented by late 2024 include:

- ▶ increased penalties and new offences relating to breach of sponsorship obligations and illegal workers with the expected passage of the Migration Amendment (Strengthening Employer Compliance) Bill 2023
- ▶ protections against visa cancellation and improving opportunities to remain in Australia for migrants who have experienced exploitation
- ▶ strengthening integrity in the sponsorship application approval process, taking account of sponsors' employment practices and records based on all available evidence, including requiring sponsors to declare any adverse findings by relevant workplace regulators and previous bankruptcies
- ▶ a new monitoring mechanism to ensure that employees are not paid less than their nominated salary, including under the Specialist Skills pathway
- ▶ improving post-arrival monitoring and compliance including coordination with the tax system to detect and prevent exploitation. This may include monitoring payments through the Australian tax system, the use of Tax File Numbers and Single Touch Payroll
- ▶ public register of approved sponsors to support migrant workers mobility and give migrant workers a resource to check the legitimacy of a sponsoring employer. The register will include details such as:
 - ▶ the name of approved sponsors
 - ▶ number of temporary skilled workers they are employing
 - ▶ occupations and / or pathway those workers are employed in

JSA will also monitor the labour market impacts of the Specialist Skills pathway to ensure it supports job creation and upskilling of local workers. In addition, tripartite mechanisms will be regularly advised and consulted on the use and impacts of this pathway.

Consultation

The prolonged implementation period provides the opportunity for business to feed back to government.

Formal consultation is planned in relation to a number of reforms announced in the *Strategy*:

- ▶ in early 2024, a Discussion Paper will be released seeking input into an evaluation of regional migration settings and the Working Holiday Maker program to ensure migration supports development objectives in regional Australia and does not contribute to the exploitation of migrant workers
- ▶ consultation will begin by mid-2024 on strengthening the integrity of the sponsorship approval application process
- ▶ in early to mid-2024, consultation will begin on how best to regulate migration for lower paid workers with essential skills under the Essential Skills pathway

Next steps:

EY will continue to keep you informed about developments in the *Migration Strategy* and opportunities to participate in formal consultations. Employers should also consider the impact of proposed reforms on their business and the benefit of providing additional insights to government.

Contact your EY advisor to discuss any of the issues raised in this alert.

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