

Global Immigration alert

September 2024



Australia & New Zealand

Focus stays on compliance during paced immigration reform

Executive summary

The immigration landscape across Australia and New Zealand continues to be characterised by uncertainty as governments balance the drive for integrity and compliance while responding to labour market demands.

In Australia, the recent appointment of new Ministers for Home Affairs and Immigration is not expected to alter the direction of the reform agenda, although it may impact the implementation timetable. The agenda was articulated in the *Migration Strategy* (the *Strategy*) published in December 2023. Implementation of some elements of the *Strategy* is complete or underway. However, two years after the major independent review of the Australian migration system was announced, uncertainty remains around the timing as well as the detail of significant changes to skilled migration yet to be implemented.

Immigration policy in New Zealand has remained in a state of change since the strict border closures were lifted in 2022. The Accredited Employer Work Visa (AEWV) framework, introduced in mid-2022, continues to evolve. While the constancy of change has been frustrating for employers the immigration authority, Immigration New Zealand (INZ), has engaged in meaningful dialogue with stakeholders and beneficial policy reforms continue in response to the needs to the market.

Australia

Whilst full implementation of the *Strategy* by the end of 2024 as initially planned would be welcomed, EY expects that the reforms will continue into 2025. Key reforms which have been implemented, include:

- ▶ legislation to improve employer compliance and penalise worker exploitation
- ▶ increased mobility in the Australian labour market for temporary skilled migrants

- ▶ expanded pathways to employer sponsored permanent residence for temporary skilled migrants
- ▶ Pacific labour mobility initiatives
- ▶ greater integrity and compliance in student and graduate visa programs

Key reforms in progress, include:

- ▶ improving points tested independent skilled migration
- ▶ regional migration reform
- ▶ National Innovation Visa (NIV) to replace the Business Innovation and Investment (BIIP) and Global Talent visa programs
- ▶ the new employer sponsored temporary skilled work Skills in Demand (SID) visa

Regional migration

Consultations with key stakeholders are continuing. The role of States and Territories in attracting the particular skills needed in the regions is elevated under the *Strategy*. Additional state or territory-wide agreements, like the Western Australia Designated Area Migration Agreement, (DAMA), are likely to be negotiated.

National Innovation visa

The NIV is scheduled for implementation by December 2024. While consultation continues, EY understands that the NIV will be similar to the discretionary Global Talent visa with an expansion of the priority sectors in which applicants must demonstrate a record of exceptional achievement. It is also expected that the NIV will include an investment visa pathway.

Skills in Demand (SID) visa

- ▶ **Core Skills Occupations List (CSOL) Review:** Jobs and Skills Australia (JSA) have completed the review and provided evidence-based advice to the Minister for Immigration. The next steps are for JSA to publish their analysis and the Minister to release the CSOL for the Core Skills stream of the SID
- ▶ **Migration Amendment (Strengthening Sponsorship and Nomination Processes) Bill 2024:** the Bill seeks to establish the framework for the SID visa including a public register of sponsors to enhance transparency and compliance, annual indexation of salary thresholds and extension of the validity of labour market testing from four to six months. The Bill was referred to a Senate Committee, which has recommended the Bill be passed
- ▶ **Skilling Australians Fund Levy (SAF):** Consultation is continuing on the proposed trailing payment method for the SAF Levy to support the mobility of SID visa holders in the Australian labour market and reduce exploitation

Skills in Demand visa - Summary based on information available as at September 2024			
Pathway	Specialist Skills	Core Skills	Essential Skills
Purpose	Fast track pathway for highly skilled migrants	Core pathway for skilled employees	Pathway for lower paid essential workers in critical sectors highly regulated by Labour Agreements
Salary threshold, to be indexed annually, must also pay market salary rate	AUD135,000 <i>Specialist Skills Income Threshold</i>	AUD73,150 <i>Core Skills Income Threshold</i>	Yet to be determined <i>Essential Skills Income Threshold</i>
Occupation	Any occupation except trades workers, machinery operators and drivers, and labourers	CSOL	Sector specific
Labour market testing	Exemption expected - tbc	Yes	Expected per terms of Labour Agreements - tbc
Visa validity period	Up to 4 years		

New Zealand - evolution of the AEWV framework

Following the change in government in late 2023 and the report of the review into the administration of the AEWV framework in February 2024, a raft of changes has been implemented with more anticipated in the near future. In particular, significant application fee increases will take effect from 1 October 2024.

The review of the AEWV framework was initiated due to integrity concerns and found that efforts to reduce processing times to meet labour market needs had resulted in inadequate risk assessment of applications by INZ. Ten recommendations were made designed to reduce the risk of migrant exploitation, develop an integrated compliance and system monitoring model, and improve intelligence gathering. Among other impacts, these recommendations have resulted in:

- ▶ greater scrutiny of applications and a substantial increase in processing times offset by priority processing for high demand roles as identified on the *Green List*
- ▶ a minimum skill requirement for most AEWV applicants requiring at least three years relevant work experience or a qualification at least equivalent to a certificate at Level 4 under the New Zealand Qualifications and Credentials Framework
- ▶ significant changes to criteria for lower skilled roles including more complex labour market tests, restricted ability to support dependent family visas, minimum English requirements and a reduction of total stay to a maximum of three years

Recommendations of the review yet to be implemented include development of INZ's technology tools, continuous review of published processing times to ensure they are achievable and meet the needs of the labour market, raising public awareness of migrant exploitation, a differential Employer Accreditation model that rewards low risk and good employer practices for employers and removal of the need to complete a Job Check when a migrant is changing employer.

In August 2024, several temporary concessions were announced in response to an immediate demand for skilled workers:

- ▶ a new interim, time-limited, streamlined subcategory of the Specific Purpose Work Visa has been introduced to support employers in industries with seasonal peaks such as harvesting and ski instruction
- ▶ a temporary exemption from the new AEWV minimum skill requirement will be available from 8 September 2024 to certain existing AEWV holders applying for a new visa to work in the Tourism and Hospitality and Care sectors and to new applicants seeking to work in the Meat and Seafood Processing sector

These policy amendments are consistent with EY's experience of positive and meaningful engagement with INZ. When making these recent announcements INZ also stated that: *These changes are part of a wider review of the AEWV to ensure it is fit for purpose. Targeted consultation on potential longer-term options to further improve the AEWV will continue throughout the year.* The AEWV framework will continue to evolve, and business has the opportunity to put their views forward.

The first round of Employer Accreditation renewals in July 2024 tested AEWV policy for the first time. EY identified opportunities to minimize the administrative burden on employers required to maintain compliance with their obligations as accredited employers. In particular, the requirement for all staff involved in making recruitment decisions to complete the Employer Modules on Employment New Zealand's online portal is not aligned with similar employment related legal obligations.

We have engaged constructively with INZ on this and other policy issues. EY will continue to make the case for a differential Employer Accreditation model as a priority. We invite you to provide feedback regarding the impact of the accreditation renewal process on your business through your EY contact or at immigration@nz.ey.com

Application fees increase 1 October 2024

Application fees will increase from 1 October 2024. For some visa categories the increase will be substantial. Employers may wish to consider reviewing their mobility pipeline and bringing applications forward where possible.

Immigration New Zealand application fee - NZD		
Application Type	Current fee	1 October fee
Residence class visa		
Skilled Residence	4,290	6,450
Residence from Work Category	4,240	6,490
Temporary visa		
Work to Residence	860	1,630
Accredited Employer Work Visa	750	1,540
Visitor visa (including Business Visitor visa)	211	341
Work visa - other (including Specific Purpose or Event work visa)	700	1,355
Variation of conditions - temporary entry visa	210	325
Employer Accreditation (AEWV framework)		
Employer accreditation (standard)	740	775
Employer accreditation (high volume)	1,220	1,280
Job Check	610	735

Next steps

EY will continue to monitor developments in immigration reform across Australia and New Zealand and keep you informed. Should you have any questions, we encourage you to contact one of our immigration professionals.

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