

Global Immigration alert

February 2025



Australia

Employer sponsored migration reform and what to expect in an election year

Executive summary

Significant changes to employer sponsored visas were implemented on 7 December 2024:

- ▶ the temporary Subclass 482 Skills in Demand (SID) visa replaced the Subclass 482 Temporary Skills Shortage (TSS) visa
- ▶ pathways to employer sponsored permanent residence were further expanded

The implementation aligned with expectations set by the *Migration Strategy* and consultations with government.

In this alert we reflect on the experience of employer sponsored migration reform in practice, elements of the *Migration Strategy* that are yet to be implemented and what to expect during 2025 with a Federal election set to be held in the coming months.

Skills in Demand Visa

A summary of the SID and the three streams can be found in our previous [alert](#). Undertakings made regarding the processing time of SID visa applicants have not been met for all streams.

Core Skills Stream

This stream, for applicants earning under AUD135,000 is the most commonly used stream. The Core Skills Income Threshold (CSIT), currently set at AUD73,150 must be met and the occupation must be on the Core Skills Occupation List (CSOL). The CSOL is comprehensive and has not presented any major obstacles for Australian employers.

A commitment was made in the *Migration Strategy* to process Core Skills stream visa applications within 21 days. Processing time published by the Department of Home

Affairs at the time of writing is 4 to 11 days. However, in EY's experience, processing time is up to 2 months. Processing time for TSS visa applications lodged prior to 7 December 2024 currently exceeds 2 months.

Specialist Skills Stream

Applicants earning AUD135,000 or over must apply under the Specialist Skills stream. The occupation does not need to be on the CSOL but must be an ANZSCO occupation in Major Group 1,2,4,5 or 6. Trades, machinery operators, drivers and labourers are excluded.

Published processing time at the time of writing is 7 days, which EY is seeing reflected in practice.

Labour Agreement / Essential Skills Stream

The Essential Skills Stream remains in development. The Labour Agreement Stream has been retained in the SID visa with no amendments or changes to processing time. Employers seeking concessions to standard SID visa requirements may negotiate a Labour Agreement.

Employer Nomination Scheme for permanent residence

Detailed policy guidance for the permanent employer sponsored subclass 186 visa was released in February 2025, confirming that for the Temporary Residence Transition (TRT) Stream:

- ▶ the 2-year work experience requirement has been broadened to include:
 - ▶ work in Australia with former sponsoring employers
 - ▶ work in Australia in other skilled occupations



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- ▶ flexibility for TRT stream applicants whose occupations have been removed from the CSOL to apply in another similar CSOL occupation
- ▶ flexibility for TRT stream applicants to apply a few days prior to the 2-year date of eligibility if the temporary visa is about to expire
- ▶ periods of paid parental leave will be counted as full-time employment including part-paid leave

Processing time

The subclass 186 visa program is also impacted by extended processing times, currently averaging 13 months and up to 18 months in many cases.

The prolonged processing time has resulted in requests for documents such as police checks, health checks, financials and confirmation of employer's ongoing support often needing to be refreshed. EY continues to make representations to the Department of Home Affairs that document validity should be extended in recognition of the frustration this is causing to applicants and employers.

Looking ahead

Some components of the *Migration Strategy* remain ongoing, including:

- ▶ the SID visa Essential Skills pathway
- ▶ reforms to Labour Market Testing
- ▶ further consultation on regional migration settings
- ▶ sponsorship compliance: register of sponsors and expanded data sharing with the Australian Tax Office and other agencies

EY will provide details of any updates once released. However, with the pending 2025 Federal election implementation is in some doubt.

We do not expect any significant changes in the immigration portfolio prior to the election. The Opposition's commentary on immigration to date has focused on integrity controls in the context of national security and the position that overall net migration should be reduced in the context of housing availability and affordability. Despite this focus, EY does not expect employer sponsored temporary visa programs will be capped following any change of government.

Ahead of the election, the government has announced a 2-year ban on foreign investors buying existing homes from 1 April 2025. This includes temporary residents already living in Australia. EY has insight on this issue for interested clients.

Key steps

EY will continue to monitor these issues and keep you informed. Please reach out to your EY immigration advisor should you wish to discuss the impact of any changes to your business.

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