

Global Immigration alert

June 2025



Australia

Planning for 1 July 2025 and beyond

Executive summary

Annual adjustments to charges and thresholds will commence on 1 July 2025, including increases to:

- skilled visa income thresholds
- superannuation guarantee rate
- visa application charges

In this alert, we reflect on the impact of these increases along with the Australian federal election results and what to expect in the next term of government.

Annual adjustments to charges and thresholds

Skilled visa income thresholds

The Core Skills Income Threshold (CSIT) and Temporary Skilled Migration Income Threshold (TSMIT) will increase to AUD76,515 on 1 July 2025.

For new employer sponsored nomination applications lodged on or after 1 July 2025, the minimum 'annual earnings' (excluding superannuation guarantee contribution) to be paid to the visa holder and the Australian market salary rate for the nominated position must be at least AUD76,515.

The Specialist Skills Income Threshold (SSIT) will also be increased to AUD141,210.

There is no need to adjust the remuneration of existing temporary visa holders or that offered to nominees where the nomination application was lodged before 1 July 2025 in response to the above increase.

Superannuation guarantee charge increase

On 1 July 2025, the superannuation guarantee charge (SGC) will increase to 12%. This is the final scheduled SGC increase. Where superannuation is calculated on top of employees' base salary there are no immigration considerations as base salary and annual earnings will not be reduced.

Where the superannuation component of total remuneration packages is increased and the base salary is reduced, there is a risk that the sponsorship obligation not to reduce the annual earnings of sponsored visa holders may be breached as superannuation guarantee contributions are excluded from annual earnings.

A breach may not occur if annual earnings have increased sufficiently since the nomination was approved. Other options to avoid a breach are:

- increasing the total remuneration package so annual earnings are not reduced
- lodging a new nomination with the reduced annual earnings. Skilling Australians Fund levy and nomination application charge would apply. Labour market testing should not be required if the nomination is lodged solely due to the change in annual earnings.

Fair Work High Income Threshold (FWHIT)

The current threshold of AUD175,000 is expected to increase on 1 July 2025. The FWHIT is relevant to age exemptions for employer sponsored permanent residence and eligibility criteria for other visa categories.

Application charges

Immigration application charges typically increase on 1 July each year by between 2% and 4% aligned with the Consumer Price Index. No additional increases to application charges were announced in the recent Federal Budget.

The application charge for student visa applications is also expected to increase to from AUD1600 to AUD2000 on 1 July.



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Federal election results

The May 2025 federal election secured the re-election of the Australian Labor Party (ALP) for a second term with an increased majority. No changes to the portfolio Ministers, Minister for Home Affairs and Assistant Minister for Immigration, have been made following the election.

EY does not expect any significant changes to migration policy during this term of government given that the ALP took a policy of migration reform to the 2022 election which resulted in the *Migration Strategy* released in December 2023. The *Migration Strategy* has largely been implemented.

Elements still to be introduced include:

- the Skills in Demand (SID) visa Essential Skills Pathway
- public register of sponsors
- reforms to Labour Market Testing
- regional migration reform
- better targeted independent skilled migration program

EY also expects to see a continued focus on employer compliance and the integrity of the visa system, particularly regarding student and graduate visas.

Migration Program 2025 - 2026

The 2025-26 permanent Migration Program planning numbers are yet to be released. A move to a four-year planning model is intended by the government. Significant changes to the total annual planning level of 185,000, and the allocation of places to skilled migrants, including employer sponsored permanent residence, are not expected.

The most recent federal Budget forecast a fall in net overseas migration, net arrivals and departures, from 335,000 this financial year to 225,000 by 2026-27. This reduction is expected to come from the departure of temporary migrants who arrived in Australia post pandemic along with limits which have been placed on the number of overseas students. EY expects that the temporary SID visa program will remain uncapped and demand driven.

Next steps

Employers should consider:

- the impact of increases to income thresholds, visa application charges and the FWHIT
- the impact of the superannuation guarantee rate increase and seek advice where a compliance breach may occur
- overseas student graduates in workforce planning strategies
- the benefits of an immigration and workplace compliance health check and training for your stakeholders

EY will continue to keep you informed about developments. 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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