

Australia

Skilled migration - slow and steady

Executive summary

As the first anniversary of the Skills in Demand (SID) visa approaches, EY expects that the employer sponsored visa environment will remain relatively stable with the following developments over the coming year:

- prolonged visa application processing time to continue
- a new Core Skills Occupation List (CSOL)
- legislation to improve flexibility in Labour Market Testing (LMT) and implement a public register of sponsors to be reintroduced into Parliament
- a Parliamentary Inquiry into the value of skilled migration to Australia to report in 2026

Prolonged visa application processing time

Employers should continue to plan for prolonged processing of visa applications and expect delays over the December/January holiday period in Australia.

Published processing time for SID visa applications at the time of writing is 2 weeks to 3 months for the Specialist Skills stream and 3 to 5 months for the Core Skills stream. EY is seeing these processing times reflected in practice.

The permanent employer sponsored subclass 186 visa program is also impacted by extended processing times, currently 15 months to 19 months.

Prolonged processing time of subclass 186 visa applications is resulting in requests for fresh

documents such as police checks, health checks, financials. 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, along with additional costs.

Core Skills Occupation List

The CSOL provides access to the Core Skills stream of the temporary SID visa and the Direct Entry Stream for employer sponsored permanent migration. Government intends that the CSOL be updated regularly to reflect Australia's workforce needs.

Stakeholder consultation has been completed and a new CSOL is likely to be implemented with the next 3-6 months.

EY expects the new CSOL will be drawn from the Occupation Standard Classification for Australia (OSCA) which has replaced the previous Australian and New Zealand Standard Classification of Occupations (ANZSCO) classification system referred to in the current CSOL. Many occupations have been reclassified in OSCA. Employers should consider mapping their key occupations to OSCA in preparation.



The Migration Amendment (Strengthening Sponsorship and Nomination Processes) Bill 2024

This legislation may be reintroduced into Parliament to implement several outstanding measures of the *Migration Strategy*, including:

- expanding the validity period of LMT from 4 to 6 months
- establishing a public register of sponsors

Inquiry into the value of skilled migration to Australia

The Parliamentary Joint Standing Committee on Migration (JSCM) has launched an inquiry into the:

- ongoing economic, social and cultural value of skilled migration
- effectiveness of current settings in meeting the current and future needs of states and territories, while recognising the ongoing need for housing and infrastructure
- scope to more effectively target skills gaps and shortages in critical sectors to improve services that benefit Australian communities
- scope for settings to more effectively support Australian businesses, boost productivity and encourage innovation
- strategies to enhance public awareness and understanding of the role of skilled migration in Australia
- approaches taken in other countries with similar migration objectives

This inquiry provides employers with the opportunity to express your views. The deadline for submissions is 5 January 2026.

Key steps

Employers should consider:

- managing stakeholder expectations regarding processing time, particularly over the coming holiday period
- mapping roles to the new OSCA classification system in anticipation of the new CSOL
- providing submissions on how skilled migration can better meet the needs of business, either directly to the JSCM or by contributing your views to EY's submission

We will continue to monitor developments across the skilled migration program. Should you have any questions or wish to discuss making a submission to inquiry, we encourage you to contact one of our immigration professionals.

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