

Mobility: Immigration alert

November 2023



Australia

Pathways to permanent residence expanded

Executive summary

The first significant amendments to employer sponsored skilled visas under Australia's new *Migration Strategy* will commence on 25 November 2023. EY welcomes the expected changes that will expand pathways to permanent residence to the majority of sponsored temporary skilled visa holders working in Australia.

Limits on the number of short-term Temporary Skill Shortage (TSS) visas employees can apply for while in Australia will also be lifted from 25 November 2023.

These amendments are subject to legislative approval.

Applying for short-term TSS visas in Australia

Short-term stream TSS applications visa holders can only apply for one further short-term stream TSS visa in Australia. From 25 November 2023, this limit will be removed. Employees with TSS visas expiring before that date will need to travel outside Australia to lodge a third short term-stream TSS application.

Expanded permanent residence pathways

From 25 November 2023, new requirements will extend eligibility under the Temporary Residence Transition stream:

- ▶ holders of TSS visas in all streams including the short-term and labour agreement streams will be eligible

- ▶ the qualifying period of work in Australia for the sponsoring employer on a TSS visa will be reduced from three to two years
- ▶ the occupation will not need to be on a skilled occupation list, all occupations listed in the Australian and New Zealand Standard Classification of Occupations (ANZSCO) will be eligible
- ▶ the age exemption for high-income earners and regional medical practitioners 45 years of age and over will be available after a two-year period of work in Australia, also reduced from three years

Changes to the Direct Entry stream for permanent residence and non-employer sponsored permanent skilled visas are yet to be announced.

Implications for employers

Employers can expect an increase in demand from their existing mobility population for support for permanent residence. In addition to managing this demand, employers should also prepare for extended application processing periods.

While the number of eligible candidates for permanent residence will increase significantly, the government has advised that the number of available places under the annual migration program plan will not increase.

Greater certainty around permanent residence is also likely to support efforts to recruit from the global talent pool.

The implications for future TSS visa holders are likely to be confirmed with the release of the legislation. Given the government's intention is to create clear and equitable pathways to permanent residence for all TSS visa holders and remove conditions that create permanently temporary migrants, EY expects that the expanded access to permanent residence will also apply to future TSS visa holders.

Until more information is available, particularly on an anticipated new approach to skilled occupation lists across all visa programs, it would be prudent to continue to nominate TSS visa holders in a medium-term stream occupation where appropriate.

Next steps

Contact your EY advisor to discuss any issues covered in this alert including how EY can support your business:

- ▶ communicate these changes to your visa holder population and other stakeholders
- ▶ assess eligibility for permanent residence for individual employees
- ▶ review policies related to permanent residence support and short-term TSS visas

EY will continue to keep you informed as details of reforms to the skilled visa programs under the *Migration Strategy* become available.

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