

Mobility: Immigration alert

November 2022



Australia

Reshaping skilled migration and resetting processing priorities

Executive summary

Details of the major review into Australia's migration system announced in September 2022, [A migration system for Australia's future](#), have now been released.

EY welcomes this first comprehensive review into Australia's migration system since 1994. The goal of the review is to develop a holistic strategy that articulates the purpose, structure and objectives of Australia's migration system to ensure it meets the national interest in the coming decades.

Application processing time is one of the key current issues facing employers and migrants. To address this, the Department of Home Affairs has recruited additional resources to finalise the backlog of applications and process new applications more efficiently. A new *Ministerial Direction* has also been issued resetting processing priorities for skilled visa applications.

Reshaping the skilled migration system

Three eminent persons have been appointed to guide the review. EY anticipates that the panel will bring a fresh perspective to the much needed reform of our current complex and costly immigration system.

The [Terms of Reference](#) are broad, reflective of an intention to reshape Australia's migration policy. Employers will have the opportunity to contribute to the review through a consultation process, which is yet to be publicised. EY will seek your views and present them in our submissions to the review.

This review will focus on creating a simpler and more efficient system that will address:

- productivity growth
- complementing the skills of Australians and local training systems
- sovereign capability gaps
- unlocking the potential of all migrants
- international competitiveness of Australia's migration program
- pathways to permanent residence and citizenship and reducing migrant worker exploitation
- enhanced integration with our international friends and partners.

The review will consider opportunities to reform the visa processing systems, including through digital platforms, trusted and secure identities, cyber security, and enhanced data analytics. Recommendations are likely to include reforms to the visa framework, the policy and legislative framework, technology systems and processes and linkages with other parts of government.

An interim report will be completed by 28 February 2023 which will contain key recommendations for the 2023-24 Budget.

Although the time period is not long, the terms of reference include having 'regard to the findings or proceedings of previous and ongoing reviews or inquiries'. EY has long lobbied for fundamental reform and we will continue to present our ideas during this consultation process.

Resetting application processing priorities

The Priority Migration Skilled Occupation List (PMSOL) and the critical sectors list have been retired. Under a new *Ministerial Direction*, skilled visa applications will be processed according to the following new priorities:

1. Healthcare and teaching occupations
2. Accredited Sponsors in all sectors
3. Work in a designated regional area
4. Business Innovation and Investment Program Provisional visa applicants outside Australia
5. All other applications.

While application processing time has improved significantly overall in recent months, inconsistency and unpredictability continue to present frustrations. Current best case processing times that employers can expect are:

- Temporary Skill Shortage (TSS) nominations and visas in healthcare and teaching within two weeks, usually sooner
- TSS with Accredited Sponsors in other sectors two to six weeks
- TSS with other Sponsors six to twelve weeks
- Permanent employer nomination scheme subclass 186 visas four to eight months.

While applications under the Global Talent and Business Innovation and Investment visa programs were given very high priority over the past few years, this will no longer be the case. Resources previously dedicated to these visa programs are likely to be diverted to processing applications in other programs.

Employers will soon benefit from a larger talent pool of skilled workers as the points tested skilled migration program has resumed in volume with tens of thousands of invitations to apply for a visa issued since August 2022. These invitations have been issued to candidates in occupations in highest demand including health, teaching, engineering and certain trades. Given the high volume of visa applications expected, it is difficult to provide a reliable estimate of processing time at this point.

Next steps

EY will keep you informed about opportunities to contribute to the comprehensive review of Australia's migration system. We will also be seeking your views to inform our submissions.

Contact your EY advisor to discuss these opportunities.

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