

GMS Flash Alert

Immigration Edition

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Australia – Government Announces Significant Reforms to Immigration Regime

In response to the ongoing skills shortages caused by the COVID-19 pandemic, and the Jobs and Skills Summit outcomes announced in September 2022, Australia's Department of Home Affairs has recently introduced policies which will be put in place to drive migration reform, amongst which reforming the occupational lists to temporary skilled visa duration, addressing areas of significant skill shortages, and streamlining intra-company transfers.

The Australian government has recognised that Australia is competing for global talent. The need to redesign the fundamental structure of the country's migration system and rebalance the temporary and permanent programmes have been identified as key areas to be addressed to attract, retain, and incentivise global talent.

WHY THIS MATTERS

Australia's government, in announcing an overhaul of the country's migration system, is aiming to make it easier (i) for skilled migrants to arrive in Australia so as to address worker shortfalls, and (ii) for talented international students to remain in the country for the long term.

Migration reform will bring significant changes to the current migration programme. This will impact many current and future visa holders, expatriates, as well businesses that need access to "in-demand" workers. To avail of the opportunities arising from the reforms, and help assure compliance, it is critical to understand the changes and new process requirements.

Details — Immigration Reform

Minister for Home Affairs, The Hon. Clare O'Neil, has announced an overhaul of Australia's migration system, making it easier for skilled migrants to arrive in Australia to address worker shortfalls, and for talented international students to remain in the country for the long term¹.

The government has announced a number of priority areas of reform to the skilled migration programme including reforming the occupational lists to temporary skilled visa duration, clearer pathways to permanent residence, a labour market testing burden that is not commensurate with benefits, as well as targeted measures to address areas of deep skill shortages (engineers, trades, health-care, aged care), streamlined measures for intra-company transfers, and measures to streamline skills recognition.

Some of the measures nominated by Minister O'Neil which have been identified as part of the submission² rendered by KPMG in Australia include:

- a different approach for companies seeking to bring in executives already employed in foreign offices (intra-company transfers);
- adjusting the "one-size-fits-all" approach to skilled migration;
- elevating the immigration-related benefits accorded to "trusted businesses";
- reforming the use of outdated job categories when identifying skills gaps and worker shortages.

Minister O'Neil has acknowledged that deeper structural changes to the migration programme would not be ready for the May 2023 federal budget.

A copy of the full KPMG submission can be found [here](#).

Updates to Graduate and Student Visas

From 1 July 2023, student visa holders (other than family members of students studying a masters or a doctorate degree by research) will be required to comply with the working hours restrictions as imposed on the visa, though the cap in hours will increase to **48 hours per fortnight** from 1 July 2023.³ This increase also applies to secondary visa holders, allowing family members to also work up to 48 hours per fortnight.⁴

The government has also announced it is addressing skills shortage by extending post-study work rights for international students that have graduated from an Australian higher education provider, in the target sectors of health, teaching, engineering, and agriculture.⁵ The extended work rights for individuals in these target sectors will come into effect from 1 July 2023, extending the current setting by two years as follows:

- Bachelor degrees – four years validity, up from two years;
- Masters degrees – five years validity, up from three years;
- Doctoral degrees – six years validity, up from four years.

The Department of Education published a list of eligible occupations and eligible qualifications (for further information, click [here](#)⁶).

Eligible graduates with a valid Temporary Graduate (subclass 485) visa on 1 July 2023, or new applicants after 1 July 2023, will be considered for the extension.

Visa holders of Subclass 485 with an upcoming expiry date before 1 July 2023, may be able to apply for an extension of their work rights by applying for a Subclass 408 COVID-19 Pandemic visa.

Skills Assessment for General Skilled Migration (GSM) Visas

The Department of Home Affairs has announced that due to the result of the decision in the case *Thapa v Minister for Immigration, Citizenship, Migrant Services and Multicultural Affairs* [2021] FCCA 686 (Thapa), the Delegates of the Minister will now accept a suitable skills assessment for an applicant's nominated skilled occupation which has been obtained within the 60-day invitation period.

KPMG INSIGHTS

This may be welcome news for applicants especially for those who previously would have missed the opportunity to apply for the visa because their skills assessment validity expired before they received the invitation to apply for the visa. This would directly impact visa applicants intending to lodge an application under one of the following GSM streams:

- Skilled Independent visa (subclass 189) — Points tested stream;
 - Skilled Nominated visa (subclass 190);
 - Skilled Regional (provisional) visa (subclass 489) — Invited Pathway;
 - Skilled Work Regional (provisional) visa (subclass 491).
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New Top 20 Occupations in Demand

The latest Labour Market Update report from Jobs and Skills Australia has identified the top 20 in-demand occupations nationally this quarter⁷. This information is derived from a range of Jobs and Skills Australia and Australian Bureau of Statistics data sources to analyse the state of the Australian labour market in the December quarter of 2022.

The report found that Australia's labour market conditions have a strong increase in full-time employment and improvements for both the long-term unemployed and under-employed. However, it found many skills shortages persist.

The top five occupations in demand nationally in that quarter were:

- 1 Registered Nurses;
- 2 Software and Applications Programmers;
- 3 Aged and Disabled Carers;
- 4 Child Carers;
- 5 Construction Managers.

The full list and other useful labour market information is available for download at the Job and Skills Australia website [here](#).

KPMG INSIGHTS

KPMG Australia has been active in putting forward recommendations to the federal government in relation to the reform of Australia's migration system. KPMG in Australia in the submission outlines tangible steps that can be taken into account to build a migration system which is aligned to Australia's future workforce requirements.

We also acknowledge this is an opportunity to reconsider the focus of Australia's Business Investment Immigration Programme and Global Talent Programme to better target offshore skills in critical areas such as manufacturing, energy transition, and cyber technology with the aim of enhancing Australia's competitiveness in this global economy.

If foreign nationals intending to move to Australia to live and work or those who are being sent by their multinational employers to work in Australia, or those being hired by Australian companies, have questions about their eligibility under the various above-mentioned visa programmes and the process for applying, or if employers wish to better understand how the skills shortages are impacting their business, they should consult with their qualified immigration counsel or a member of the Immigration team with KPMG in Australia (see the Contacts section).

FOOTNOTES:

1 See Media Release from The Hon. Claire O'Neil MP, Minister for Home Affairs, "[How Australia broke its migration system, and what we can do to fix it](#)" (23 February 2023).

2 See "A Migration System for Australia's Future: KPMG report (December 2022) Paper): KPMG at <https://assets.kpmg.com/content/dam/kpmg/au/pdf/2022/migration-system-for-australia-future-kpmg-submission.pdf> .

3 See Media Release from The Hon. Claire O'Neil MP, Minister for Home Affairs, "[Addressing skills shortages in key industries and rebuilding the international education sector](#)" (21 February 2023).

4 As above.

5 As above.

6 See Department of Education, "List of occupations and qualifications eligible for post-study work rights extension" at: <https://www.education.gov.au/extended-poststudy-work-rights-international-graduates/resources/list-occupations-and-qualifications-eligible-poststudy-work-rights-extension>.

7 See Jobs and Skills Australia, Labour Market Update Report at: <https://www.jobsandskills.gov.au/reports/labour-market-update-december-2022> .

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Contact us

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