

GMS Flash Alert

Immigration

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Australia – Immigration Update, Including Increase to Temporary Skilled Migration Income Threshold

In this *GMS Flash Alert*, we report on some important recent immigration-related developments in Australia concerning the Temporary Skilled Migration Income Threshold, visa lodgement fees, superannuation Guarantee payments and the impact on salaries, and ImmiAccount.

The Department of Home Affairs has announced that the Temporary Skilled Migration Income threshold (TSMIT) will increase from AUD 70,000 to AUD 73,150 on 1 July 2024.¹

WHY THIS MATTERS

The increases in the income threshold and visa application charges may increase the cost of bringing foreign national employees to Australia for work. Global-mobility program managers should consider the increased costs for planning and budgeting purposes.

Temporary Skilled Migration Income Threshold (TSMIT)

The TSMIT applies to the following visa subclasses:

- Temporary Skill Shortage (Subclass 482);
- Skilled Employer Sponsored Regional (Subclass 494);
- Employer Nomination Scheme (Subclass 186).

It has been confirmed that the TSMIT will increase from its current rate of AUD 70,000 to AUD 73,150 on 1 July 2024

Key Points

- New nomination applications lodged from this date will need to meet the new TSMIT of AUD 73,150 or the annual market salary rate, whichever is higher.
- The Department of Home Affairs has confirmed that any nomination applications lodged prior to 1 July 2024, *will not* be impacted by the increase in the TSMIT (even if the nomination and associated visa application are not finalised by 1 July 2024).
- The Department of Home Affairs has also confirmed that the increase will not affect existing visa holders.
- Employers intending to submit a new nomination application before 1 July 2024, where the salary for the nominated position is below AUD 73,150, and evidence of labour market testing is required for the application, the job advertisements for the nominated role will need to be posted **immediately** to make sure they complete a full 28-day period of advertising prior to lodgement.

KPMG INSIGHTS

In 2023, the Australian government increased the TSMIT from AUD 53,900 to AUD 70,000 after many years of the TSMIT remaining at the same level and flagged that it would be indexed each year moving forward. Whilst this increase may represent an increased cost for some employers, it will be welcomed by many temporary visa holders in light of cost-of-living challenges.

Increase in Government Visa Lodgement Fees

Visa application charges are expected to increase on 1 July 2024.

KPMG INSIGHTS

Businesses should consider the increased costs for planning purposes. KPMG will share the updated application fees once released by the Department of Home Affairs.

Increase in Superannuation Guarantee Payments

The Superannuation Guarantee (SG) will increase from 11 percent to 11.5 percent on 1 July 2024 (see [GMS Flash Alert 2024-115](#), 17 May 2024) and this applies to Temporary Skill Shortage (Subclass 482) visa holders as well.

- Primary sponsored Temporary Skill Shortage (Subclass 482) visa holders must be paid at least the guaranteed annual earnings in the most recent nomination approval or the market rate (whichever is higher).²

KPMG INSIGHTS

If the increase to the SG will reduce the visa holder's base salary, this may result in a breach of obligations as a business sponsor. Employers are expected to increase total remuneration packages to align with the increase in SG. We recommend employers undertake a review of sponsored employee's remuneration to help ensure they remain compliant from 1 July 2024.

- If there is a reduction in the base salary and guaranteed annual earnings of the primary sponsored Temporary Skill Shortage (Subclass 482) visa holder, a new nomination must be submitted and approved first.

ImmiAccount

[ImmiAccount](#) is an online service provided by the Department of Home Affairs in Australia. It is a digitised platform for Australian visa applications which allows individuals to create and manage their visa applications and related processes electronically.

KPMG INSIGHTS

Employers and visa applicants should consider lodging online visa applications as soon as possible before 1 July 2024, since it is expected that the Department's ImmiAccount system will experience issues in the period leading up to 1 July due to the high volume of transactions.

FOOTNOTES:

- 1 Department of Home Affairs, "[Updated - Increase in the Temporary Skilled Migration Income Threshold \(TSMIT\) to \\$73,150](#)" (28 May 2024).
- 2 See [Superannuation Guarantee \(Administration\) Regulations 2018](#).

* * * *

AUD 1 = EUR 0.612
AUD 1 = USD 0.66
AUD 1 = GBP 0.52
AUD 1 = JPY 104.00
AUD 1 = NZD 1.08
AUD 1 = INR 55.43

Source: www.xe.com

Contact us

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