

GMS Flash Alert

Immigration

2025-061 | 27 March 2025

Australia – Immigration-Related Measures in Federal Budget 2025-26

In this *GMS Flash Alert*, we report on several immigration-related measures included in the Federal Budget 2025-26, which was delivered by the Australian government on 25 March 2025.¹

For an in-depth analysis of the key measures and financial announcements from the 2025-26 Federal Budget and what they mean for businesses and the economy, see “[Federal Budget 2025-26](#),” a website of the KPMG International member firm in Australia dedicated to the Federal Budget. (For related coverage of the Federal Budget, see [GMS Flash Alert 2025-060](#), 26 March 2025.)

This was a “holding” Budget for immigration with the government having released its Migration Strategy in December 2023, and the subsequent introduction of multiple immigration reforms in the twelve months up to December 2024.² With a federal election expected to be held by May 2025, the Budget did not include any significant immigration measures.

(For coverage of last year’s Budget, see [GMS Flash Alert 2024-25](#), 17 May 2024.)

WHY THIS MATTERS

The centrepiece measure announced entails a staged reduction in net overseas migration over the next four years. The gradual reduction in net overseas migration will include a reduction in annual visa allocations across the migration program and will likely reduce the availability of skilled foreign talent for business, including a reduction in permanent residence visas.

Net Overseas Migration

Net overseas migration is forecast to decrease to 260,000 in 2024-25, which was announced as part of the government's 2024 Budget. This is a significant decrease from net overseas migration peaks of 528,000 in 2022-23 and 435,000 in 2023-24 reflecting lower migrant arrivals.

Net overseas migration is further forecast to decrease to 225,000 in 2027-28 and 2028-29.

KPMG INSIGHTS

The government has flagged its intention to stabilise net overseas migration after a period of post-pandemic increases, whilst maintaining the government's stated priority of supporting business access to skilled labour. The impact of a reduction in net overseas migration will not be fully known until further details are released by the government on migration program planning levels, which is expected after the upcoming federal election.

Women's Budget Measures

The Leaving Violence Program, which will commence on 1 July 2025, will provide critical support to victim-survivors of intimate partner violence, including migrants regardless of visa status, through individualised financial support packages of up to \$5,000 which will be indexed annually to keep pace with the cost of living. *(All dollar figures expressed are Australian dollars.)* Those eligible will also have access to safety planning, risk assessments, and short-term referral support services for up to 12 weeks.

KPMG INSIGHTS

Financial insecurity is a major barrier for women escaping violence, often driving them to remain with, or return to, an abusive partner. This program builds on the successes and learnings from the Escaping Violence Payment trial and the Temporary Visa Holders Experiencing Violence Pilot, providing certainty for victim-survivors, service providers, and the broader family.

Immigration Detention and Resettlement Services

The Department of Home Affairs entered into a new contract with Secure Journeys Pty Ltd commencing on 11 December 2024, to deliver immigration detention services at facilities in Australia on behalf of the Australian government. This is in addition to the existing contract with Serco Australia Pty Ltd, which commenced on 11 December 2014.

The government will provide funding to support resettlement in Nauru of non-citizens released from immigration detention in Australia who do not have the right to remain in Australia, as part of the continuing response to the High Court decision in *NZYQ v. Minister for Immigration, Citizenship and Multicultural Affairs & Anor.*

Court and Legal Services

Courts and legal services expenses are expected to remain relatively stable over the period 2025–26 to 2028–29, with a slight increase in expenditure in 2025–26 for the Administrative Review Tribunal and migration-related legal matters in accordance with demand.

1 July 2025 Changes

Superannuation

While not part of the 2025-26 Budget announcement, a noteworthy upcoming change involves the compulsory Superannuation Guarantee rate is currently legislated to increase from 11.5 percent to 12 percent from 1 July 2025, and this applies to Skills in Demand Subclass 482 visa holders.³

KPMG INSIGHTS

Primary sponsored 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). As such, a Subclass 482 visa holder's guaranteed annual earnings cannot be decreased to absorb the superannuation increase without a new nomination application being approved, otherwise this would be a breach of the sponsorship obligations. Employers may wish to undertake a review of sponsored employees' remuneration to help ensure they remain compliant from 1 July 2025.

Income Thresholds

From 1 July 2025, the income threshold requirements for the Skills in Demand (Subclass 482) visa will increase as follows:

- Core Skills Income Threshold – \$76,515 (increased from \$73,150)
- Specialist Skills Income Threshold – \$141,210 (increased from \$135,000).

New nomination applications lodged from this date will need to meet the new Core Skills Income Threshold of \$76,515 or the annual market salary rate, whichever is higher (this applies to Subclass 482 and 186 nominations).

Any nomination applications lodged prior to 1 July 2025, will not be impacted by the increase in the CSIT (even if the nomination and associated visa application are not finalised by 1 July 2025). The increase will not affect existing visa holders.

Employers intending to submit a new nomination application before 1 July 2025, where the salary for the nominated position is below \$76,515, and evidence of labour market testing is required for the application, will need to post the job advertisements for the nominated role 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 Temporary Skilled Migration Income Threshold (TSMIT) from \$53,900 to \$70,000 after many years of the TSMIT remaining at the same level and flagged that it would be indexed each year moving forward. This increase to the Core Skills Income Threshold on 1 July 2025 maintains the government's previous commitment. Whilst this increase may represent an increased cost for some employers, it may well be welcomed by many temporary visa holders in light of continued cost-of-living challenges.

KPMG INSIGHTS: CONCLUDING THOUGHTS

Although a number of measures from the government's 2023 Migration Strategy are yet to be introduced, it was anticipated these (or any other significant changes) would not be introduced before the federal election. Whilst net overseas migration is forecast to decrease further in 2025-26, the focus remains on skilled migrants who will drive growth in sectors of national importance through the new visa options introduced in late 2024 including the Skills in Demand (Subclass 482) visa and National Innovation (Subclass 858) visa.

FOOTNOTES:

- 1 For the Budget and related documents, see: <https://budget.gov.au/>.
- 2 For related coverage, see the following issues of *GMS Flash Alert*: [2024-243](#) (9 December 2024) and [2024-208](#) (24 October 2024).
- 3 For related coverage, see the following issues of *GMS Flash Alert*: [2024-115](#) (17 May 2024) and [2023-098](#) (12 May 2023).

* * * *

\$1 = €0.584
\$1 = US\$0.63
\$1 = £0.486
\$1 = ¥95.22
\$1 = NZ\$1.0978

Source: www.xe.com

Contact us

For additional information or assistance, please contact your local GMS or People Services professional* or one of the following professionals with the KPMG International member firm in Australia:



Mark Wright
Immigration Leader
Tel. + 61 2 9295 3884
mwright15@kpmg.com.au



Maria Hrambanis
Director
Tel. + 61 3 9288 5967
mhrambanis@kmg.com.au

** Please note the KPMG International member firm in the United States does not provide immigration or labour law services. However, KPMG Law LLP in Canada can assist clients with U.S. immigration matters.*

The information contained in this newsletter was submitted by the KPMG International member firm in Australia.

© 2025 KPMG, an Australian partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

www.kpmg.com

Some or all of the services described herein may not be permissible for KPMG audit clients and their affiliates or related entities.

Learn about us:



kpmg.com

© 2025 KPMG LLP, a Delaware limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved. Printed in the U.S.A. USCS001250-2F

The KPMG name and logo are registered trademarks or trademarks of KPMG International. The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organization.

KPMG LLP is the U.S. firm of the KPMG global organization of independent professional services firms providing Audit, Tax and Advisory services. The KPMG global organization operates in 147 countries and territories and has more than 219,000 people working in member firms around the world.

Each KPMG firm is a legally distinct and separate entity and describes itself as such. KPMG International Limited is a private English company limited by guarantee. KPMG International Limited and its related entities do not provide services to clients.

GMS Flash Alert is a publication of the KPMG LLP Washington National Tax practice.

KPMG International Limited is a private English company limited by guarantee and does not provide services to clients. No member firm has any authority to obligate or bind KPMG International or any other member firm vis-à-vis third parties, nor does KPMG International have any such authority to obligate or bind any member firm. The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.