

GMS Flash Alert

Immigration

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Australia – New Salary Thresholds Effective 1 July 2026, Changes to the Subclass 407 Visa, and Office Closures

Australia’s Department of Home Affairs (the “Department”) has announced new skilled visa salary thresholds effective from 1 July 2026, changes to the Training (Subclass 407) visa as of 11 March 2026, and the closure of certain overseas immigration offices. We also share KPMG insights into the current visa processing times and the details of our 19 March KPMG immigration webinar featuring Departmental representatives.

WHY THIS MATTERS

These multiple developments have significant implications for global mobility programs, employers, and mobile employees. Extended visa processing times may affect workforce planning, onboarding, and travel arrangements. The increase in skilled visa income thresholds from 1 July 2026 is expected to affect eligibility particularly for certain sectors such as aged care and hospitality. The closure of immigration offices in Washington, D.C., Dubai, and Singapore may further delay application outcomes, especially for Subclass 400 visa applicants, potentially disrupting project start dates and business operations. Proactive consideration of these changes is crucial to help maintain compliance and minimise business disruption.

Departmental processing times

Processing times remain extended across key visa categories:

- Skills in Demand (Subclass 482) – Specialist Skills Stream: up to 53 days
- Skills in Demand (Subclass 482) – Core Skills Stream: up to seven months
- Temporary Work (Short Stay Specialist) (Subclass 400): up to four weeks
- Temporary Activity (Research) (Subclass 408): up to 14 months
- PR under the Employer Nomination Scheme (Subclass 186): up to 20 months
- Bridging Visa B: up to four weeks

Please note these processing times are approximate only and can vary.

New salary thresholds effective 1 July 2026

From 1 July 2026, skilled visa income thresholds will be increased in line with changes to the annual average weekly ordinary time earnings. Income thresholds are indexed annually so that wages for skilled migrants increase at the same rate as Australian workers. From 1 July 2026, indexation changes will be as follows:

Relevant salary threshold	Current threshold (AUD)	New threshold from 1 July 2026 (AUD)	Impacted visas
Core Skills Income Threshold (CSIT)	76,515	79,499	<ul style="list-style-type: none">• Core Skills stream of the Skills in Demand (Subclass 482) visa• Employer Nomination Scheme (Subclass 186) visa
Specialist Skills Income Threshold (SSIT)	141,210	146,717	<ul style="list-style-type: none">• Specialist Skills stream of the Skills in Demand (Subclass 482) visa

These changes will only apply to new nomination applications lodged from 1 July 2026. These changes will not apply to existing visa holders and nominations lodged before 1 July 2026.

Changes to Training (Subclass 407) visa effective 11 March 2026

The Department has announced a change to the requirements for the Training (Subclass 407) visa, which came into effect as of 11 March 2026.

Under this change, Subclass 407 visa applications can only be lodged after the associated sponsorship and nomination applications have been approved by the Department. Concurrent lodgement of the sponsorship, nomination, and visa application will no longer be permitted.

Practical implications of this include:

- The 407 sponsorship and nomination must be lodged and approved first before a 407 visa application can be submitted (and a Bridging Visa A issued if onshore with an expiring visa)
- This change is likely to reduce overall processing timelines for 407 applications in the future, given the expected decrease in valid applications
- Importantly, this may significantly affect applicants currently in Australia who have an upcoming visa expiry, as nomination processing times are currently extended. As a result, alternative visa options may need to be sought if a 407 nomination is not approved in time to submit a visa application before visa expiry

Immigration office closures in key locations

The Department has recently advised that immigration operations have ceased at the overseas posts in Washington, D.C., Dubai, and Singapore. Subclass 400 visa applications that would have normally been processed by these offices (based on the applicant's current location) are now being diverted to other

processing centres within the Department’s network. This is leading to longer processing times for Subclass 400 visa applications as a result.

KPMG immigration webinar

KPMG in Australia will be hosting its first immigration webinar of the year—Australian Immigration Webinar with Department of Home Affairs 2026—on **Thursday 19 March 2026 at 12:30 p.m. (AEDT)**. Our webinar will include a special presentation from the Department of Home Affairs. Key topics to be covered include:

- Key insights from the first year of the Skills in Demand (Subclass 482) visa.
- Future developments in Australia’s migration system and what they mean for your business.
- Q&A with the Department of Home Affairs.

Please register via this link [KPMG Event Registration](#). We look forward to welcoming you.

KPMG INSIGHTS

In light of these trends and changes, organisations should consider:

- Leveraging interim visa pathways to mitigate the impact of extended processing times – KPMG can assist in identifying potential interim visa options to facilitate entry to Australia
- Proactive communication with key stakeholders regarding visa timelines to manage expectations
- Initial remote work options while the visa is being processed where the role and company policy allow it (noting that this would need to be considered holistically including in regard to potential tax and other legal and regulatory implications)
- Reviewing upcoming 482 visa expiries and pipeline 482 visa applicants to assess whether applications can be lodged before 1 July 2026 if the higher salary thresholds cannot be met
- Reviewing visa expiry dates for any foreign employees and pipeline applicants where the Training (Subclass 407) visa would have been considered as the relevant visa option to determine an appropriate immigration strategy

If visa holders and/or their employers have any questions or concerns about this update and potential impacts, they should consult with a member of the KPMG Australian immigration team (see the Contacts section).

ENDNOTE:

1 Australian Government, Department of Home Affairs, “[Global visa processing times](#).”

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Contacts

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



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** 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.*

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