

GMS Flash Alert

Immigration

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Australia – Immigration-Related Measures in the Federal Budget 2026–27

The Australian government has unveiled its immigration-related measures in its Federal Budget 2026-27, delivered on 12 May 2026. These measures include changes to net overseas migration forecasts, the permanent Migration Program, system integrity investments, reforms to the Working Holiday Maker (WHM) Program, and accelerated recognition of migrant skills.¹

WHY THIS MATTERS

These changes represent a targeted approach to migration, balancing labour market needs and system integrity while aiming to manage population growth. For employers, the confirmation of stable permanent migration numbers and a focus on skilled migrants support workforce planning and talent acquisition. However, anticipated increased compliance scrutiny and changes to temporary visa and WHM Program access may require organizations to review internal governance and workforce mobility strategies. Mobile employees and prospective migrants face evolving eligibility and application scrutiny, with possible impacts on processing timelines and program access.

Background

Prior to this budget, Australia experienced a post-pandemic peak in net overseas migration in 2022–23, followed by intentional reductions. The permanent Migration Program planning level has remained stable, with a strong focus on skilled migration and onshore applicants. Recent years have also seen increased policy attention to system integrity and workforce outcomes as reflected in ongoing reforms.

Key Highlights

Net overseas migration

Net overseas migration has already declined by approximately forty-five percent from its post pandemic peak in 2022–23.

Forecast levels over the next four years are:

Duration	Net overseas migration
2025–26	295,000
2026–27	245,000
2027–28	225,000
2028–29 and 2029–30	225,000

Migration program integrity

- AUD 167.4 million allocated over four years to enhance system capability, migrant worker education, and student visa scrutiny.
- Introduction of new visa refusal and cancellation powers relating to antisemitism, hate, and extremism.

Working Holiday Maker (WHM) program reform

- Reforms aim to better control visa numbers, ensure fairer allocation, and support national interests.
- Consideration of expanded use of ballots for visa allocation; details on affected countries and timing not specified.

Faster recognition of migrant skills

- AUD 85.2 million over four years for improved skills assessment and recognition.
- Includes a new system via Trades Recognition Australia, skills assessments for onshore visa holders, and strengthened oversight.
- Expected to reduce workforce entry times by up to six months and support up to 4,000 additional skilled trades workers per year.

KPMG INSIGHTS

In light of these announcements, organisations should consider the following actions:

- Review and strengthen internal compliance and risk management processes in light of increased scrutiny and system integrity initiatives.
- Monitor developments in the WHM Program, particularly regarding ballot implementation, to plan for potential changes in seasonal or temporary workforce availability.
- Engage proactively with skills assessment and recognition processes to optimize workforce entry for sponsored skilled migrants.

If readers 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, Commonwealth Treasury, "[Budget documents](#)."

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Contacts

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