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AUSTRALIA | A NEW OUTLOOK FOR SKILLED MIGRATION POST THE FEDERAL ELECTION

Impact **Medium**

Summary

Australia's Federal Election has ushered the Labor Party back into power after nearly ten years in opposition. Whilst the final parliamentary make up is not yet clear, what we do know is the Labor Party has a clear vision for Australia's migration policy, even if the finer details have not yet been announced. Businesses should prepare for possible reform in the following areas.

The Detail

So how might the change of government in Australia impact global mobility? The incoming Government has a stated aim to undertake a broad review of the purpose and structure of Australia's migration program. The intention is to create a visa framework that favours building skills and training for Australians, permanent visa options for migrants, a reduction in temporary visas usage and a stronger enforcement and penalties platform. In particular, we can expect to see reforms in the following areas:

Focus on skills shortages and training - The return to business as usual after two years of closed borders has brought Australia's skills shortage into sharp focus. The incoming Government is committed to mapping skills, identifying shortages and developing training packages to address these gaps. No doubt migration will continue to fill an important role in supplementing the lag in local skills development. Expect future skilled occupation lists to look and operate differently as we know the incoming Government is opposed to expanding temporary work visa programs.

Preference for permanent residency - since the last major skilled visa reforms in 2017/18, employer-sponsored temporary residents with skills that are considered 'short term' have been locked out of pathways to permanent residency. This cohort has effectively been treated as second class citizens; temporary skilled labour with no ability to settle in Australia long term.

The insecurity of temporary status in Australia was highlighted during the Covid-19 pandemic, with large numbers of temporary residents trapped outside of Australia when the borders closed, unable to return for months if not years. The outgoing Government recently

promised permanent residency pathways to 'short term' temporary residents who remained in Australia during the Covid-19 pandemic. But these concessions were limited, and did not provide any pathways for new temporary residents arriving post pandemic. In a highly constrained labour market, our two-tiered skilled visa system has made it even harder for Australian businesses to recruit manpower needed from overseas.

The incoming Government is opposed to this kind of 'permanently temporary' label, instead preferring permanent migration to allow foreign workers to access the rights and privileges of residency (such as access to Medicare, access to public education at local rates etc). This broad access to permanent status for foreign temporary residents would be a welcome change from the status quo, allowing security for migrants and certainty for Australian employers.

On the humanitarian front, the incoming Government has stated its aim to abolish Temporary Protection Visas and Safe Haven Enterprise Visas and transition eligible refugees onto permanent visa arrangements.

Labour market testing is here to stay - expect labour market testing (LMT) to remain and possibly be extended. In order to apply for an Australian work visa, LMT is currently required to show that a suitably qualified Australian is not available to take up a skilled role. The LMT process is lengthy and needlessly frustrating (anyone who has accessed Jobactive, the Australian Government jobs portal, will understand). Under the incoming Government we expect LMT to continue and potentially be extended over the long term to include evidence of why local training is not practicable.

Fewer exemptions for international trade obligations - exemptions to labour market testing (LMT) currently exist where there is a conflict with an international trade obligation to which Australia is a party. There are several such international trade agreements currently in place. The incoming Government will likely depart from this position and ensure LMT is not waived in future trade agreements. In addition, the incoming Government has indicated it will renegotiate the free movement of labour clauses in current trade agreements to further reduce possible LMT exemptions.

If introduced, these potential amendments would give businesses very few avenues to avoid LMT. However, given the heated skills economy we are currently in, we anticipate the incoming Government will consider tempering its LMT approach, at least initially, to allow immigration to play a critical role in supplementing local skills shortages.

Better pathways to citizenship - the incoming Government has indicated it will remove unnecessary and unintended barriers in order to actively encourage all permanent residents to become Australian citizens. This will be particularly encouraged for vulnerable migrants. No detail has yet been provided on which specific barriers will go, and if this involves concessions to the residency requirement prior to citizenship.

Reforms to the working holiday visa program - recently there has been a marked rise in working holiday visa caps and an increased number of countries participating in reciprocal agreements. We anticipate the incoming Government will reform the working holiday visa program to strengthen the rights of visa holders and prevent worker exploitation. As a result, we expect to see changes to the type of regional and agricultural work required to qualify for a second and third working holiday visa.

Need for compliance - protecting migrant workers has been on the outgoing Government's agenda, with the (now lapsed) Protecting Migrant Workers Bill making its way through

Parliament as recently as last year. The incoming Government will continue the push for more protection through increased sanctions for employers who breach their obligations and employ people without the right to work. So this is a timely reminder to businesses who employ visa holders (whether sponsored or non-sponsored) to ensure they have adequate work rights checking and compliance processes in place to support their skilled worker programs.

What this means

We expect to see significant reforms in the coming months as the incoming Government seeks to impose its values and agenda on the skilled migration program. Our visa system is certainly overdue for an update, with issues such as the rise of remote work and retaining top talent ripe for change.

Now more than ever it is important to take stock of your current and future skills requirements and to map out a future talent pathway. This will help put businesses in the best position to navigate anticipated changes to Australia's skilled visa program. Vialto Partners is closely monitoring the reforms and actively engaging with the Government and business community for advocacy and guidance. Please do not hesitate to get in touch with us if you would like to discuss.

Contact us

Please reach out to Vialto Partners Australia to discuss further.

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