

Federal Budget Analysis 2020-21



The release of the 2020-21 Budget has revealed a number of planned changes to the Department of Home Affairs and the migration program, with significant changes to the General Skilled, Family, and Global Talent categories.

There are some key assumptions upon which the migration program numbers are based. **One being that a COVID-19 vaccine will be available by the end of 2021, which will result in borders gradually opening.** Another being that bi-lateral agreements will form (between Australia and Singapore, Taiwan, Japan, and South Korea) to open 'travel-bubbles' such as the recent agreement with New Zealand.

Here we take an in-depth look at the changes and how migrants will be affected.

Overall planning levels for permanent migration remain at the previous level of 160,000 people.

Planning Levels 2020-21 to 2019-20

Stream and Category	2020-21 Planned	2019-20 Planned	Difference
Skill Stream			
Employer Sponsored	22,000	30,000	-8,000
Skilled Independent	6,500	18,652	-12,152
Regional	11,200	23,000	-11,800
State/Territory Nominated	11,200	24,968	-13,768
Business Innovation & Investment program	13,500	6,862	+6,638
Global Talent	15,000	5,000	+10,000
Distinguished Talent	200	200	0
Family Stream			
Partner	72,300	39,799	+32,501
Parent	4,500	7,371	-2,871
Other Family	500	562	-62
Special Eligibility	100	236	-136
Child (estimate; not subject to a ceiling)	3,000	3,350	-1350

However, when comparing the planned quota with the actual outcomes of 2019-20, the differences are not as significant as first appear. As per the table below, **Skilled Independent visas were already well under quota at the end of the program year, so in reality there will be a much smaller (though no less painful) drop of almost 6,500 places.**

In addition, despite a decrease in planning numbers for Family steam visas (other than Partner visas), comparisons show that the actual outcomes were already lower than the new quota. This means that in reality, applicants for these visas should notice little to no change for the coming year.

Planning levels 2020-21 vs Actual Outcomes 2019-20

Stream and Category	2020-21 Planned	2019-20 Actual	Difference
Skill Stream			
Employer Sponsored	22,000	29,261	-7,261
Skilled Independent	6,500	12,986	-6,486
Regional	11,200	23,372	-12,372
State/Territory Nominated	11,200	21,495	-10,295
Business Innovation & Investment program	13,500	4,420	+9,080
Global Talent	15,000	4,109	+10,891
Distinguished Talent	200	200	0
Family Stream			
Partner	72,300	37,118	+35,182
Parent	4,500	4,399	+101
Other Family	500	444	+56
Special Eligibility	100	81	+19
Child (estimate; not subject to a ceiling)	3,000	2,481	+519
TOTAL	160,000	140,366	+19,634

General Skilled Migration

With almost 26,000 planned quota slashed from the Skilled Independent and State Nominated visa streams, competition for invitations is expected to be at an all-time high.

Priority will be given for those applying for a family-sponsored Subclass 491 Skilled Work Regional visa.

A pathway to permanent residency through the Subclass 189 NZ Stream visa will be opened up to more New Zealand Citizens, with applicants who have met the taxable income requirements in three of the last five financial years (including the most recent year) now able to apply.

Employer Sponsored

Applicants and businesses will face increased scrutiny on the 'genuineness' of any positions nominated, as the Australian Government focuses on ensuring jobs for Australian workers.

New Labour Market Testing requirements for temporary visas were introduced on 1 October (read more [here](#)), with Immigration announcing an expectation that there would be advertising for permanent visa positions as well.

Priority will continue to be given to applications with an occupation on the Priority Migration Skilled Occupation List ([PMSOL](#)), as well as applications for onshore applicants where the sponsor is in a regional area.

Temporary Skilled visa holders currently offshore will be able to have the lodgement fee for a subsequent visa waived, to enable them to return to Australia once the borders reopen.

Partner Migration

Partner visa applicants with a sponsor residing in regional Australia will be prioritised in the increased program quota.

Expected in early to mid-2021, the Family Sponsorship framework currently used for Subclass 870 Temporary Parent visas will be introduced to Partner visas, complementing the strengthened Family Violence provisions within the program.

In addition to the existing requirement for character clearances, Sponsors must agree to enforceable sponsorship obligations and sharing of information with the applicant before they can be approved. An approved sponsorship application will be required before a Partner visa application can be submitted.

With a plan to support social cohesion and economic participation outcomes, Immigration will introduce English language requirements for Partner visa applicants and their permanent resident sponsors. Set at Functional English level, evidence must be provided that the requirement has been met before a permanent Partner visa can be approved. The Minister has indicated that in some cases if a genuine effort has been made to achieve the required score through completion of the Adult Migrant English Program (AMEP), that a waiver may be available.

In anticipation of these changes, the AMEP has been reformed to remove limits on class hours and application timeframes for new migrants.

Subclass 300 Prospective Marriage visa holders who have been unable to enter Australia due to the border closures will be able to access a refund of the Government lodgement fees.

Global Talent

Established to attract international businesses and exceptional talent to Australia, the Global Talent scheme is a high priority for Immigration in the 2020-21 program year. Building on the existing program, and focusing on three key sectors - advanced manufacturing, financial services (including FinTech), and health - the Australian government hopes to 'turbo-charge' the creation of jobs and inject new investment into emerging technologies and industry.

To support this program, quota has been tripled to 15,000.

Business Investment and Innovation

On 1 July 2021, Immigration will refocus the program to identify higher value investors, business owners, and entrepreneurs. Changes will be introduced to improve the quality of investments and applicants, and visa application charges will increase by 11.3% on this date.

Other Visas

Application fee waivers and refunds will be available for current working holiday maker (Subclass 417 and 462) visa holders who are offshore and have not been able to travel to Australia due to the border closures.

Visitor visa holders will also be able to have the lodgement fee waived for a subsequent visa application once borders have reopened.

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