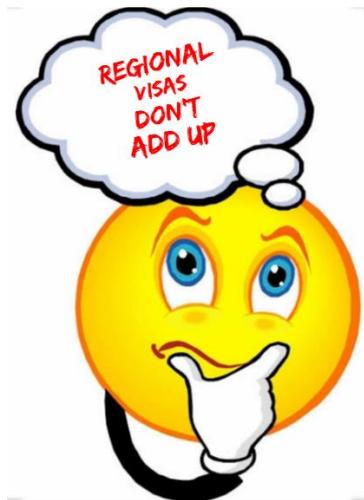


2019/2020 Migration Program Shortfall



DHA have announced a planning level of 160,000 migrants for 2019/2020

This is split, as in past years, as 70% for skilled visas and 30% for family visa categories
However in our analysis DHA are going to have a BIG hole in these skilled visa figures on current program directions

First of all here are the allocations for each category from the budget figures

2019-20 Migration program planning levels

Stream and Category	2019-20
Skill stream	
Employer Sponsored	30,000
Skilled Independent	18,652
Regional	23,000
<i>Skilled Employer Sponsored 494</i>	9,000
<i>Skilled Work Regional 491</i>	14,000
State/Territory Nominated	24,968
Business Innovation & Investment program	6,862

2019-20 Migration program planning levels

Stream and Category	2019-20
Global Talent	5,000
Distinguished Talent	200
Skill Total	108,682
Family Stream	
Partner	39,799
Parent	7,371
Other Family	562
Family Total	47,732
Special Eligibility	236
Child (estimate; not subject to a ceiling)	3,350
Total	160,000

Of the 108,682 skilled visas DHA have 3 potential holes

New Global Talent Visa

The pilot scheme for this visa has resulted in less than 30 visa grants in it's first year. The criteria is quite complicated and more difficult than other similar company sponsored visas. If DHA think that in the remaining 10 months of this program year they are going to change the narrative and attraction of this visa and grant more than 1000 visas in this category (never mind the budgeted 5000 figure) they are dreaming. **Our prediction is 4500 short of their target.**

494 Skilled Employer Sponsored Regional (Provisional) Visa

The RSMS 187 visa will close on 16/11/2019 and be replaced by this new 494 temporary visa. It looks like DHA will count this provisional visa as a permanent migrant visa, which is a little sneaky as many people will struggle to keep the same job (albeit in different regional companies) for a full 3 years to actually get their permanent residence. It is logical also that anyone even close to getting regionally sponsored will be moving heaven and earth to apply BEFORE 16/11/2019 so they can qualify for PR straight away through the current 187 pathway. So there will be barely a trickle of applicants in late November, December and January (2020) for this new 494 visa and their target of 9000 visa grants.

Also DHA are continuing with the ludicrously difficult 3 years post graduate work experience requirement as an essential criteria, so regional companies will struggle to find candidates in

Australia for that visa. They already are screaming out that they have skills shortages and DHAs response is not working at all.

Currently regional visas are taking 18 months to grant. Even if DHA miraculously come up with some extra processing officers who can process these 494 visas with priority in let's say 3 months they are going to have a woeful number by 30th June 2020 actually granted. Our best guess is 2000 grants for 2019/20 and **so 7000 short of their target.**

491 Skilled Work Regional (Provisional) Visa

Finally the 491 visa has a target of 14,000. This will be split into two pathways, state and family sponsored. The state 491 visa pathway has big issues to meet whatever its quota is. Let's assume that 7000 places go to state sponsored and 7000 to family sponsored.

State governments are required to approve nominations before a person can apply for this new 491 visa. These State authorities have struggled to cope with the processing of the about to be closed 489 visa nominations in recent months and so the 491s are going to create enormous processing pressures for them. Let's assume that they manage to do their sponsoring stage in 2 months (I think this is optimistic) and they invite a reasonably healthy number. Then assume DHA (already with significant staff shortages) somehow manage to find case officers to approve any lodged 491 visa applications in just 3 months. That in itself would be amazing given 189s and 489s are currently taking closer to 10 months to process. So that is 2 months for a state sponsorship approval, an immediate lodgement of the visa and 3 months processing, so 5 months.

Given the 491 visa only starts on 16/11/2019 and visas have to be granted by 30/6/2020 to be in this year's program figures, that means only applicants starting this 5 months process in late November, December and January (2020) will be granted in this program year. We predict the state sponsored pathway will be around 2000 grants and so will be a massive **5000 short of their target.**

So to recap we believe DHA will be $4500 + 7000 + 5000 = 16,500$ short of their skilled targets. All based on the late start to the program year for new visa categories and the visa processing times for those visas (even being optimistic).

It is likely some of this anticipated 16500 can be made up through undecided ENS/RSMS applications, although processing is extremely slow for those and so DHA do not seem to care about finalising those with any hurry at the moment. And the department are unlikely to use the skilled visa allocation for family sponsored visas as that will split the sensitive 70/30 split between skilled and family visas that has continued for many years now

There is separately a massive backlog of undecided visa applications in other categories with over 200,000 people currently on bridging visas. And further the Australian economy has almost flat lined (growth down to 1.4 %) where in the past it was assisted by a larger migration program. Finally the national housing market has heavily been hurt by the lack of new migrants wanting to more establish themselves over the least few years.

So maybe there is hope that some of these places will be directed to the long suffering 189 category that has been reduced to just 18,652 grants this program year. They will have to come from somewhere !

Steven O'Neil Managing Director

Iscah Migration

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