



Australian Government
Department of Education

Department of Education submission to Migration Review

December 2022



With the exception of the Commonwealth Coat of Arms, the Department's logo, any material protected by a trade mark and where otherwise noted all material presented in this document is provided under a [Creative Commons Attribution 4.0 International](https://creativecommons.org/licenses/by/4.0/) (<https://creativecommons.org/licenses/by/4.0/>) licence.

The details of the relevant licence conditions are available on the Creative Commons website (accessible using the links provided) as is the full legal code for the [CC BY 4.0 International](https://creativecommons.org/licenses/by/4.0/legalcode) (<https://creativecommons.org/licenses/by/4.0/legalcode>).

The document must be attributed as the Department of Education Submission to the Migration Review.

1. Contents

Introduction.....	4
Enriching the economy, with a focus on productivity growth	5
Complementing Australia’s education and training systems and the skills of Australians.....	7
Competition with the domestic workforce	8
Unlocking the potential of migrants	9
Boosting graduate employability through work integrated learning.....	9
Professional year programs.....	10
Building Australia’s sovereign capabilities and addressing challenges associated with the aging population, climate change and new technology	10
Competing globally for highly skilled migrants, including by improving clients’ experience of the immigration process.....	11
Competitive environment	11
Maintaining and building the attractiveness of Australia as a study destination	11
Competing globally with a diversified suite of education offerings.....	12
Allow offshore graduates from Australian institutions to use their skills in Australia.....	13
Provide clear pathways to permanent residence and citizenship	14
Welcome students considering migration	14
Incentivise qualified graduates to stay and work in Australia	15
Build pathways to permanent residency	15
Reducing exploitation of migrant workers: students and graduates.....	16
Foster enhanced integration (including people, trade and supply chain links) with our international friends and partners	16

Introduction

The Australian Government (the Government) Department of Education (the department) welcomes the opportunity to provide a submission to the development of *A Migration System for Australia's Future*.

The department drives Australia's international education policy to support a high quality and sustainable international education sector. The department works closely with agencies across government and states and territories to ensure a coordinated approach that maximises benefits for the sector, international students and the broader Australian community.

Reforming Australia's migration system presents an opportunity to enhance the value proposition that Australia's international education export sector represents. International education has a proven high-value capability to create enduring and influential people-to-people links with our partners and generate export wealth for Australia. International education offers a powerful and effective mechanism to identify, attract and influence the career trajectory of a large cohort of the skilled workers Australia needs.

International students come to Australia at their own expense and contribute to Australian enterprises while they live, work and study here. Before the pandemic, it was estimated that the sector generated \$40.3 billion of export earnings each year and created over 250,000 Australian jobs.¹ They study alongside their domestic counterparts, forging personal bonds and enriching both the education experience for all and the strength of the domestic education and training system. As a cohort, they tend to be young and highly skilled. Once graduated, those that remain in the country take professional level jobs, making substantial contributions to the net fiscal benefits of Australia's migration program.²

International graduates hold Australian qualifications and augment the domestic skilled labour supply. As students and graduates they contribute to the Australian workforce, including in vital areas of labour shortages such as aged care, childcare, agriculture and in-service industries. Through volunteering and other forms of engagement in the communities they live, international students and graduates contribute to Australia's rich multicultural diversity. Through these avenues they help connect their Australian counterparts with the world. Their decreased presence during the pandemic-induced border closures was keenly felt in all of these areas.

Graduates that return home can be ambassadors for Australia, carrying with them an understanding of Australia's values, strengths and optimism. They can remain friends to Australia for life. International education has created over three million friends for Australia since 2002, building linkages that connect us to our neighbours, friends and partners in the region and around the world.³

¹ [Australia's Top 25 Exports, Goods & Services](#), accessed 26 October 2022, based on ABS trade data on DFAT STARS database and ABS catalogue 5368.0 (Mar-2020).

² Treasury's Fiscal Impact of New Australians (FIONA) model found the average estimated per migrant lifetime impact of \$198,000, far outstripping the average per person estimate for the Australian population. Australian Government Treasury, [The Lifetime Fiscal Impact of the Australian Permanent Migration Program](#), 2021, p 10.

³ Department of Education, PRISMS [International students studying in Australia between 2002 and 2021](#), accessed 1 December 2022.

Despite the benefits they offer, international students sometimes struggle to feel welcome, to find the jobs for which they are qualified, and to plan for a future in Australia if they choose to do so. Their experience of the migration system as students, as graduates and as candidates for skilled migration, powerfully informs their feelings of connection to Australia. The department welcomes the opportunity to look at how this can be done better.

A revitalised migration system is one that welcomes and recognises the value of international students and graduates. Australia should seek to cast its net wider and further to educate and unlock the potential of the globally mobile, and use judicious settings to filter and retain the best and brightest.

Incentives can be used to signal Australia's willingness to welcome students and graduates to undertake the qualifications to meet skills needs and encourage highly qualified candidates for permanent residency. Competitive application fees, fast track processing, increased visa duration, 'credit' toward permanent residency and visa incentives targeted at occupations in need could all be part of a migration approach that deliberately builds alignment between international education and migration.

To achieve this and more, the department proposes adjustments that will enable international education to better contribute to Australia's skills needs and foreign policy priorities, support visa integrity and transparency, assure a quality student experience and secure Australia's global competitiveness as an education destination.

Enriching the economy, with a focus on productivity growth

The revenue generated from international education makes a significant economic contribution to Australia. In 2019, international students contributed \$40.3 billion to the Australian economy, including through education related travel, tuition fees and living expenses.⁴ The pandemic saw this number almost halve to \$22.5 billion in 2021.

While the sector faced significant challenges and disruption during the COVID-19 pandemic, it also demonstrated resilience and innovation. As the sector rebuilds, these innovations can be drawn on to inform the development of the *A Migration System for Australia's Future* strategy. There is opportunity to reform our migration system to be flexible enough to embrace hybrid, onshore, offshore and online models of study. This will allow Australia to draw from a broader competitive field of students and graduates to study and work in Australia, such as those graduates who have studied at offshore campuses with Australian providers.

Australia's share of the transnational education (TNE) market is small in comparison to competitor countries. A migration system that is attractive to TNE students at offshore Australian campuses will power Australian expansion in the TNE market, and can be used to attract the best and brightest TNE graduates to take up further study onshore and to consider skilled work in Australia.

Temporary graduate visa holders are young and highly skilled. Encouraging them to consider pathways to permanence supports Australia's response to an aging population and ongoing critical

⁴ [Australia's Top 25 Exports, Goods & Services](#), accessed 26 October 2022, based on ABS trade data on DFAT STARS database and ABS catalogue 5368.0 (Mar-2020).

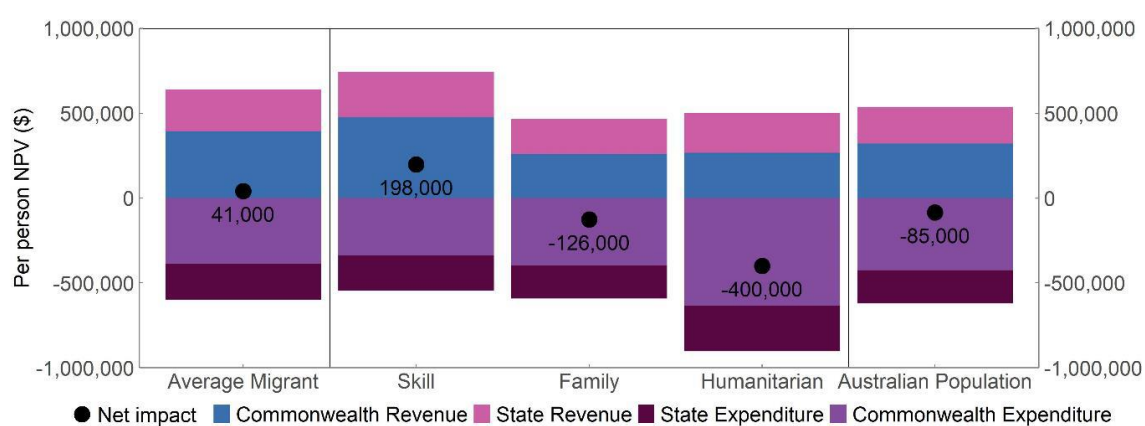
skills needs over the long term. They are likely to advance in their professional careers and become important fiscal contributors to Australia, contributing their own, and likely their young families', work and social capital to enrich the Australian communities they have chosen to make their home.

International education is also a significant stimulus to the visitor economy, with family and friends frequently visiting resident students. In 2018, international visitors who stated their main purpose as education accounted for over 38 per cent of the total tourism spend in Australia, staying longer and spending more on average than leisure and business tourists. One in four visitors whose main purpose was education also had family or friends come to visit while studying during 2018, contributing a further \$1.1 billion to tourism spend, demonstrating the interdependence between the international education and tourism sectors.

International students also benefit the Australian economy with part-time work during study and as temporary workers after they graduate. Many go on to engage in further study or join the skilled migration program. In all cases they are important contributors to Australia's economy and a dynamic part of our communities.

Treasury's Fiscal Impact of New Australians (FIONA) model demonstrates the lifetime fiscal impact of permanent migrants to Australia. FIONA estimates that the lifetime fiscal impact for the average migrant in the 2018-19 permanent migration program is \$41,000 (Figure 1).⁵ This result primarily derives from the Skill Stream of the permanent migration program, with an average estimated per migrant lifetime impact of \$198,000, far outstripping the average per person estimate for the Australian population.

Figure 1: Estimated lifetime fiscal impact of the 2018–19 permanent migrant population



Note: Estimates include both primary and secondary applicants.

Source: Department of Treasury, *The Lifetime Fiscal Impact of the Australian Permanent Migration Program, 2021*

⁵ Net fiscal impact, the cost or benefit of migrants to the commonwealth, state, and territory governments, is measured through collected tax revenues, balanced against government expenses (e.g., social security).

Complementing Australia's education and training systems and the skills of Australians

Australia is a global leader in international education, with over 3.5 million current and former international students studying in Australia between 2002 and 2021.⁶ In 2020, 10 per cent of international tertiary students in OECD countries studied with Australian providers.⁷

International students bring new perspectives, ideas, and skills to enrich the cultural fabric of the institutions they attend and the study experiences they create with their domestic counterparts. The deep and enduring connections that result from international students studying and living in Australia also contribute to Australia's overall international standing. Graduates that continue their academic career in Australia may form vital research partnerships across countries, drawing on their knowledge of and relationships with other countries, cultures and research traditions.

A high-quality Australian education equips students with the skills and knowledge to succeed. This benefits our global community as international students return to their home countries and beyond, often taking up positions of influence. International students who stay in Australia to pursue work opportunities alleviate national skills shortages and make an ongoing contribution to Australia's communities and way of life.

A revision of student and related education and skilled visa settings through the holistic lens of a migration review will bolster Australia's globally competitive position as an education destination of choice.

A quality student experience is foundational to Australia's international education reputation. Migration settings designed to attract and retain the best and brightest internationally are a critical part of this reputation. A more robust, transparent and client focussed migration system will support Australia's international education sector to continue to be an economic powerhouse for the Australian economy.

A migration system that is more client-focused can make meaningful contributions in promoting and expanding the reach of Australia's high quality education offerings in the global market. This can be achieved through practical reform such as:

- ensuring visa costs are competitive,
- improving the ease of visa application,
- increasing transparency of the visa system, and
- enabling efficient and effective transition from student to skilled worker where they are eligible and able to fill skills in demand.

Australia has one of the strongest regulatory protections for international students in the world, but we can do better, especially in safeguarding migrant workers, including students and graduates, from exploitation. For example, the Assurance Protocol established between Home Affairs and the Fair Work Ombudsman is an excellent example of client-focused settings. The Assurance Protocol provides a guarantee that visa holders (such as international students) can seek help from the

⁶ Department of Education data, accessed 27 October 2022.

⁷ OECD, [2022 International Migration Outlook](#), accessed 1 December 2022.

Ombudsman without fear of visa cancellation, even if they have breached their work-related visa conditions, so that visa status cannot be used by employers to exploit temporary workers.

The injection of talent and revenue by international students to the education sector supports the expansion of research and education infrastructure, improving education quality and increasing classroom diversity. Relationships forged between Australian and international students and early career researchers have global long-term benefits of network building and future partnerships and interactions.

Competition with the domestic workforce

The Productivity Commission notes that while immigration is expected to deliver long-term benefits to the Australian community, these benefits are dependent on having a well-designed immigration program that attracts young and skilled immigrants and is responsive to economic, social, and environmental conditions.⁸ There is risk, actual or perceived, that an increase of skilled migrant workers would intensify competition with the domestic workforce and result in adverse impacts to the detriment of this workforce, such as applying downward pressure on wages and hampering growth and productivity.

Migrants are, in aggregate across all visa categories, increasingly likely to be highly educated. About half of all migrants, temporary and permanent, have a bachelor or postgraduate education when they arrive, and many more gain higher education qualifications during their time in Australia. A quarter of recent migrants have a postgraduate qualification, while the equivalent figure for workers born in Australia is less than one in ten. When they arrive in Australia, recent migrants are more likely to work in professional roles than people born in Australia.⁹ Given the high demand for professional skilled workers, it is unlikely that skilled graduates will be seeking low wage jobs in such numbers as to cause wage suppression.

If linkages can be strengthened between the student and graduate visa programs and migration, these effects can be boosted by creating a motivated candidate pool already within Australia.

Regarding the wage impacts of migration, a recent survey of academic studies has demonstrated that there is little evidence of substantial effects of migration on the wages of the incumbent Australian workforce in aggregate.¹⁰ Econometric analysis commissioned for the Productivity Commission's 2016 *Public Inquiry into Australia's Migrant Intake* found that, at an aggregate level, "recent immigrants had a negligible impact on wages, employment and participation of the existing labour force".¹¹

⁸ Productivity Commission, *Migrant Intake into Australia: Productivity Commission Inquiry Report Overview & Recommendations*, 2016, p 77.

⁹ W Mackey, B Coates and H Sherrell, *Migrants in the Australian Workforce: A guidebook for policy makers*, Grattan Institute, 2022.

¹⁰ C Brell and C Dustmann, *Immigration and Wage Growth: The Case of Australia*, Reserve Bank of Australia, 2019, accessed 24 October 2022.

¹¹ Productivity Commission, *Migrant Intake into Australia: Productivity Commission Inquiry Report Overview & Recommendations*, 2016, 77, p 10.

Where immigration has been found to affect wages, this effect is generally estimated to be positive. The effects of temporary migration on wages in specific sectors or skill levels are more nuanced. The 2022 Interim Report of the Productivity Commission's 5-year productivity inquiry found that migration settings that create restrictive barriers can prevent skills matching and are a risk for productivity growth in the context of strong international competition for skilled migrants.¹²

Unlocking the potential of migrants

A broad migration review affords the opportunity to strengthen the pathway from study to work, including to permanent residency for those who are eligible and interested in continuing a life in Australia after they have completed their studies. Through this, graduates, and Australia's international education sector can contribute to both Australia's workforce and our communities. For example, making connections between the Australian international education sector and industry through work integrated learning (WIL) and Professional Year Programs could increase the employability of international graduates, unlocking their potential to contribute to the Australian workforce.

Boosting graduate employability through work integrated learning

A key mechanism by which to unlock the potential of migrants is by ensuring international graduates are employable by and visible to Australian employers, for example by increased use of WIL. WIL refers to a wide range of work opportunities such as internships, placements, simulations, industry-partnered projects and more that are embedded in study and allow students to contextualise their academic learnings in a professional setting. They are associated with greater employment outcomes and skills capability.¹³

WIL that is effectively promoted and with strong industry and education sector engagement has the potential to lay the groundwork for closer interactions with education institutions, employers and industry. Ensuring that international students are supported to take part in WIL exposes them to a broader Australian working environment and exposes Australian employers to a highly skilled pool of potential future employees.

The migration review should consider changes that might enable international students' better access to WIL, including clearer direction that WIL work undertaken as part of an international student's course of study is not subject to the student visa working hours cap.

Furthermore, innovative use of WIL, combined with a client focussed migration system could connect Australia to new student markets, foster education growth and enlarge the available pool of willing and skilled workers onshore. For example, WIL could be a finishing component for students at offshore Australian campuses, or for those students undertaking a blended on and offshore course of study, and for offshore graduates to gain experience and time in Australia while going through the process of qualification recognition. These kinds of innovations should be considered in the migration review to ensure that there are no visa impediments to seamless WIL opportunities. These approaches will need consideration in the review to ensure that visa settings for both student and

¹² Productivity Commission, *5-year Productivity Inquiry: A more productive labour market (Interim report)*, 2022, p 19.

¹³ J Fleming, K Hay 2021. 'Understanding the risks in work-integrated learning.' *International Journal of Work-Integrated Learning*, vol. 22, no. 2, pp. 167 – 181.

post-graduate skilled workers actively encourage WIL being incorporated into courses by providers, to strengthen pipelines from study to skilled work.

Accessible WIL also contributes to a better experience for those undertaking study in Australia, allowing their courses of study to be more practical and making them more employable. This in turn allows greater scope for Australia's education system to contribute to the exercise of soft power, as graduates who return home are better equipped to obtain skilled employment quickly and succeed in their home countries.

Professional year programs

A professional year is for international students with a degree in accounting, ICT/computing, or engineering and supports them to gain the skills necessary to gain employment in their chosen fields. They are not CRICOS-registered courses and are not regulated by TEQSA. Generally, the professional year is a combination of 32-week study and 12-week internship, and a 12-month program sponsored by a professional organisation, delivered by different accredited providers, and paid for by the student. Costs to students range from \$10,000 to \$20,000. The professional year provides 5 points towards a permanent Skilled Independent visa (subclass 189).

The Professional Year can assist graduates gain employment in select industries and additional professional year skills points allocation could be considered in the Migration Review.

Building Australia's sovereign capabilities and addressing challenges associated with the aging population, climate change and new technology

An important consideration for the review is to strike a balance between national interest and leveraging the ability of Australia's education sector to attract the best and brightest higher degree students and post-graduate researchers, in areas related to critical technologies.

This includes utilisation of international skilled graduates, who have been through Australia's rigorous visa process, to work in non-sensitive areas that support or are adjacent to Australia's sovereign capabilities. This would 'free up' Australians with comparative skills to work in sensitive areas of national interest. For example, attracting high level researchers and retaining skilled workers in photo-voltaic and sustainable energy technology would support Australian business resilience and growth in renewable energy markets. International student and graduate contribution to fields such as artificial intelligence, industrial manufacturing, sustainable agricultural practices or general STEM fields can strengthen Australian sovereign capacity and capability. This approach could assure a sustainable and continuous injection of international talent into Australian research and industry sectors. As an added benefit such interactions could foster innovation and education and research connections with other countries to work together to solve international issues such as climate change. International education and early career researcher networks and collaborations have obvious benefits in building soft power linkages and ties to countries in our region and elsewhere.

As an example, opportunities for select international students and graduates with specialisations in artificial intelligence could contribute to development of wide-ranging, home-grown AI applications encompassing many sectors, including agriculture, education, energy, finance, health care,

manufacturing, transport and telecommunications. The research and work undertaken by international graduates trained in Australian institutions are valuable to Australia and will contribute to Australia's technological resilience and innovation.

Competing globally for highly skilled migrants, including by improving clients' experience of the immigration process

Competitive environment

Canada, New Zealand, the United Kingdom (UK), and the United States compete with Australia for international student flows and international graduates to fill their own skills shortages. The International Student Experience Survey (ISES) is a key tool from government to support providers to monitor and improve elements of their education offering to international students. The results of the 2021 ISES were below pre-pandemic responses to the survey; under COVID -19 conditions the ISES recorded a drop in satisfaction with the overall quality of the entire educational experience for international students, going from 75 per cent in 2019 to 67 per cent in 2021.¹⁴

One of the advantages Australia retains, and which will support recovery, is that Australia's TGV settings are more generous than those currently offered by competitors, both in terms of maximum length of stay and wide availability to graduates. This advantage has been strengthened by the recent announcement of the extension of duration for graduates with select degrees in areas of skills shortage.

To remain competitive, it is crucial that Australia delivers a high-quality product, including a world class education and a positive student experience, whether students are studying onshore in Australia or with Australian providers overseas. Results from ISES make it clear that international students seek greater engagement with domestic students and Australian communities, and opportunities to work within their field of study both during and after their studies. There is opportunity in this review to contribute to improving these student experience outcomes.

Maintaining and building the attractiveness of Australia as a study destination

Australia is already a highly competitive study destination. Improving and continuing this attractiveness through migration settings will increase the number of students able to contribute to the Australian economy and increase the number of graduates available to fill Australia's skills needs.

The Australian Universities Accord, formally announced by Hon Jason Clare MP, the Minister for Education on 16 November 2022, provides a further opportunity to improve the sustainable growth of the international education sector. The Accord will review the higher education sector, including considering how Australia's international education offerings can remain globally competitive. This involves positive student experience, continued excellence of academic offerings and further research collaboration.

¹⁴ [2021 International Student Satisfaction Survey](#), accessed 31 October 2022

In addition to this, there are several visa-related matters which play a part in keeping Australia's student experience of high quality. The opportunity to work while studying is a crucial part of Australia's attractiveness, noting that working hours will be capped again from 1 July 2023.

Opportunities should be sought to streamline the visa application process where possible, noting for example the complexities involved in the genuine temporary entry requirement. If visa applications can be made simpler for students, it could help to provide students with more options in addition to using education agents.

Competing globally with a diversified suite of education offerings

Current settings recognise only one way of studying

Currently, only onshore study in Australia attracts specialised consumer protections and post-study work rights. Online study, offshore study and blended learning programs are excluded from consideration in visa settings, constraining the number and types of international students whose study can contribute to Australia's diplomacy, skills gaps and economy.

The pandemic experience amplified growth in demand for online study, blended education offerings and offshore delivery of Australian education. Creating the opportunity for more of these students to spend time in Australia would enrich their study experience, strengthen people to people ties and benefit the Australian economy.

Offshore

Transnational education (TNE) graduates from Australian campuses offshore have been educated by Australian institutions to Australian standards. This is a cohort that could make an important contribution to Australia's skills needs. Calibrated changes to migration settings to attract the best and brightest of these offshore graduates and provide them pathways to contribute their skills to the Australian economy will increase Australia's competitiveness in the transnational education space and foster skilled migration of TNE graduates trained by Australian institutions, to Australian standards and able to meet Australia's skills needs.

Online

There is an increasing market for Australian qualifications delivered online in the medium of English to offshore students. Providing migration incentives to this cohort would increase the market range and attractiveness of Australian providers' offering, increasing reach into new and existing geographic and demographic markets. This could include, for example, limited post-study work rights.

Blended education products

There is also increasing demand for 'blended' education products that allow students to undertake a portion of their study in their home country and the remainder in Australia. This hybrid model would widen the appeal of Australian offerings to a larger cohort of students who make not be able to afford to undertake the entirety of their study in Australia.

Consideration could be given to visa settings that encourage a blended course of study, while preserving the primacy of undertaking an entire course of study in Australia. While it is open for students to pursue such models, they are not catered for by current education regulatory settings.

Students will not be covered by consumer protections for their study undertaken outside Australia, they may experience disruptions to their study program while awaiting visas and they may not be eligible for post-study work rights.

Providing a risk-sensitive package of incentives to these students would increase the viability and attractiveness of blended products, boosting product diversification and sustainability while identifying and attracting candidates qualified to meet Australia's skills needs.

Microcredentials and stacking

Shorter forms of training are becoming increasingly important to learners to support upskilling and reskilling and to better meet employer needs. In response, the Government is investing in microcredentials as a shorter form of learning and development to assist learners to gain valuable workforce skills.

Microcredentials can help learners build specialised and focused skills without having to undertake a traditional longer qualification, allowing learners and providers to respond to the labour market and employer skill needs. Current investment in microcredentials includes the Microcredentials Pilot in Higher Education which will support higher education providers to develop and deliver microcredentials which meet certain criteria. The Government is also supporting the development of the Microcredentials Marketplace, a nationally consistent online platform for students to compare microcredentials, and the National Credentials Platform, an online platform for students to compile, display and share their Australian Qualifications Framework qualifications.

Microcredentials are an emerging opportunity for education product diversification. The Government is supporting Australian industry to develop up to 70 microcredentials for international implementation through an \$8 million competitive fund. The fund will provide opportunities to diversify the range of Australian tertiary education institutions delivering Australian microcredentials internationally.

Microcredentials will provide a sampler of Australian education offerings and provide a pathway for international students and overseas workers to access blended, online, offshore or onshore education delivery options.

An international microcredential can be stacked with a domestic microcredential or placement to provide credit towards an Australian qualification, such as a bachelor's degree. Consideration could be given to providing visa opportunities for qualifications completed in this way, such as providing visas for students 'rounding' out their stacked credentials towards an Australian degree.

Allow offshore graduates from Australian institutions to use their skills in Australia

Graduates of Australian education providers offshore are not currently eligible for any post-study work rights, due to the Australian Study Requirement (ASR) condition attached to the Temporary Graduate visa. Consideration could be given to extending post-study work rights to offshore higher education graduates at an appropriate level. This could be for the same duration as onshore students or more limited and recognising their investment in Australia by studying with Australian institutions.

Consideration should be given about how this would affect students who have undertaken blended courses of study. This group may earn longer post-study work rights than those who have studied entirely offshore, recognising a larger contribution to the Australian economy.

This measure would increase the attractiveness of Australian providers' offshore delivery and would lift the number of graduates with qualifications from Australian institutions available to work in Australia and fill skills gaps.

Provide clear pathways to permanent residence and citizenship

Welcome students considering migration

Changes to Australia's migration system should provide clear pathways to permanent residence and citizenship for international students. The Genuine Temporary Entrant (GTE) requirement condition of the Student visa (subclass 500) is in place to 'identify applicants who are using the Student visa program for motives other than gaining a quality education'.¹⁵

To satisfy the GTE requirement, at the time of application, a prospective student must not have the intention or a strong incentive to remain in Australia after graduating, though this can change over time: the Department of Home Affairs notes that the GTE requirement 'is not intended to exclude students who, after studying in Australia, develop skills Australia needs and who then go on to apply for permanent residence'.¹⁶ Additionally, a range of education providers consistently report that the condition is being applied inconsistently in visa refusals and acts to deter otherwise genuine and well-qualified students. Providers also report that the application of the GTE encourages a belief in the sector that students cannot have, or express, an interest in a migration pathway in parallel with being an international student.

As Australia experiences acute and chronic skills shortages across the economy, international students and graduates are a valuable and qualified pool of candidates for permanent skilled migration. However, they may be discouraged by the GTE requirement and how it is applied in the assessment of student visas. The GTE, while safeguarding genuine student intent, may also be inadvertently restricting articulation from study to skilled work that Australia needs.

The department acknowledges the importance of ensuring that student visa applicants have study as their primary purpose in Australia, and of preventing entry to applicants who intend to breach visa conditions or to attempt to remain in Australia illegally.

Student visa eligibility conditions should be amended to permit dual intent to study in Australia and to pursue a longer term stay in Australia, including the pursuit of permanent residency. One approach may be to replace the GTE with a Genuine Student Requirement, which would not require that a prospective student have no desire to remain in Australia after graduating but would require that the primary purpose of the student's entry to Australia be to study, and to return home when legal means of remaining in the country were exhausted. Consideration should also be given to expressly permitting a dual designation approach so that international students can openly express

¹⁵ [Genuine temporary entrant requirement](#), accessed 1 December 2022, Department of Home Affairs.

¹⁶ [Genuine temporary entrant requirement](#), accessed 1 December 2022, Department of Home Affairs.

interest in a permanent migration outcome without this being seen to compromise their status as genuine international students or temporary entrants.

Communications with the international education sector around the intention and implementation of the GTE or a replacement should also be a priority, whatever decisions are made about the policy itself.

Incentivise qualified graduates to stay and work in Australia

The demand for high skilled workers is expected to continue and increase in the future. Whether we can meet this demand will be critical to ensuring Australia's future productivity growth and economic success. With significant skills shortages and challenges for employers in finding skilled staff, the relevance of international students and graduates to meet the needs of the labour market is clear.

Growth in student places is currently projected to meet the demand from students over the coming decade, however early signs of a dampening in domestic higher education enrolments along with high growth in demand for skilled workers could mean that the number of graduates will not be sufficient to meet demand in the labour market. A growing focus on Australia's sovereign workforce, including in areas of critical technologies research and defence force priorities will further increase demand for high skilled workers.

In response to these pressures, the Government recently announced an extension to post-study work rights for international graduates with qualifications corresponding to occupations in skills shortage, acknowledging the significant work such graduates undertake.

There is evidence to indicate that graduates who take up post-study work rights are more likely to retain business connections to the host country, meaning greater potential for long-lasting business opportunities for Australia.¹⁷ This has important implications for Australia's international engagement and influence, as well as our long-term trade, research, and technological ambitions.

Consideration could be given to using the extension of post study work rights for graduates in areas of skills shortage as a pilot for a stable pathway to permanent residency.

The review should also consider how Australia can specifically target graduates qualified in areas of ongoing skills needs. This could include approaches such as those set out in the Government's Draft National Teachers Workforce Action Plan, for example prioritising visa processing for qualified teachers to encourage skilled migration to Australia.

Build pathways to permanent residency

Post-study employment opportunities are a key competitive factor for many students in selecting a study destination. The recently announced extension of post-study work rights is expected to improve the attractiveness of the temporary graduate visa to students and employers, creating a longer-term pathway to skilled work opportunities aligned with Australia's skills needs.

Complementing that measure, revising visa settings will ensure Australia remains globally competitive as a destination for students looking to study internationally, particularly by providing

¹⁷ Universities UK International, International Graduate Outcomes 2019, 2019. Universities UK found that 77% of international graduates say they are more likely to do business with the UK, 81% will develop professional links with UK organisations and 88% of respondents plan to visit the UK for holiday or leisure.

clearer pathways to permanent residency for those who are interested in continuing to establish a life in Australia after they have completed their studies.

The current migration policy settings for the temporary-permanent migration pathway have potentially significant implications for Australia's long term social cohesion. The lack of a clear pathway or timeframe for permanent migration can inhibit temporary residents from developing a sense of belonging to Australia as they feel permanently 'temporary'. The current short-term, demand-driven nature of temporary migration is seen as being at odds with the more gradual and multidimensional process of settlement and integration to safeguard social cohesion, which has potential negative ramifications for long-term social cohesion in Australia and blunts the ability of temporary migrants to maximise their contribution.

Currently, there are limited and complex pathways to permanent residency for temporary visa holders, with migration settings that are unfavourable for Australia's international education to expand its reach to attract high potential future skilled workers. Offering temporary skilled graduates a clearer (but not guaranteed) pathway to permanency will bolster the attractiveness of recent temporary graduates by providing employers with a degree of certainty, encouraging an increase in the number of graduates remaining in Australia.

Reducing exploitation of migrant workers: students and graduates

Migrant workers are entitled to the same workplace rights and protections as Australian citizens, regardless of their visa status. This includes migrant workers whose visas have expired, all types of undocumented migrant workers, people who might only work for a short time and international students and graduates who undertake work.

To support the Government's commitment to ensure all workers, no matter their background, are given the opportunity to make a positive contribution to the Australian economy without fear of exploitation, the revised migration system should consider the needs of student and graduate visa holders to address migrant worker exploitation. Such measures could include review of the existing Assurance Protocol to be strengthened for clarity of purpose, promoted and provided to prospective students, students and graduates as an automatic part of their engagement with Australian visa system.

Foster enhanced integration (including people, trade and supply chain links) with our international friends and partners

A high-quality Australian education equips students with the skills and knowledge to succeed beyond Australia. This benefits our global community as international students return to their home countries and beyond. However, there is more opportunity to align our migration settings to be able to use international education to help support our foreign policy objectives. International education is a powerful facilitator of the movement of people, capital and ideas to foster enhanced integration with Australia's international friends and partners.

By helping meet our partners' skills and developmental needs, international education strengthens bilateral relations and contributes to the region's prosperity, security and stability. Increasing Australia's international research links enhances our international presence and affirms our bilateral relationships, promoting collaborative research while managing national security risks.

A channel for further integration, which partners within our region have demonstrated great enthusiasm for, is TNE. TNE is a way of accessing high quality Australian international education at a more affordable price point. There is high demand for enhancing skills development through university partnerships between home and foreign universities, particularly as other countries in our region look to upskill significant proportions of their populations.