

SUBMISSION TO THE DEPARTMENT OF HOME AFFAIRS: AUSTRALIA'S 2022-23 MIGRATION PROGRAM

13 December 2021

Universities Australia (UA) welcomes the opportunity to make a submission to the Department of Home Affairs planning for Australia's 2022-23 migration program.

As the peak body representing Australia's university sector, Universities Australia notes that Australia's universities operate in a global labour market, characterised by a two-way flow of academic talent. Australia's knowledge economy is dependent on this global collaboration, which is underpinned by the ability of staff and students to move between institutions in different countries at different stages of their careers. As a nation, we rely on a supply of skilled individuals to take up vital jobs and underpin national priorities. Never has the need for such a reliance been greater.

Australia's success in mitigating the impact of the pandemic is in a large part due to the decision to implement strict border restrictions and limit the entry of non-citizens or permanent residents. While critical to maintaining our good public health outcomes, this has created a climate of uncertainty in which it is difficult to make projections or plan for any near-future migration scenarios.

Acknowledging this reality is important, as Government works back to economic and social health in extremely complex and changing circumstances. Skilled migration has played an important role in the national economy and will be important to national recovery.

Universities Australia recommends that:

- The primary goal of the 2022-23 Migration Plan should be to maintain as much continuity as possible.
- Australia would benefit from simplified visa classes, specifically for knowledge workers, to facilitate short- and long-term stays with options for permanency.
- An alternative approach to classifying occupations, that would more accurately reflect the changing nature of the workplace than the existing Australia and New Zealand Standard Classification of Occupations (ANZSCO), should be considered.
- The various skilled occupation lists be consolidated to improve transparency and ease-of-use.
- Post-study work rights for international students should be maintained to optimise Australia's position as a destination of choice for international students.
- The Australian Government should maintain robust yet competitive visa settings, comparable to our competitor countries.
- Through the university system, the current program is serving the needs of the nation well. The overarching principle of this exercise should be to do no harm to it.

INTRODUCTION

Skilled migration is an important component of Australia's migration program and makes an essential contribution to our labour force and the broader community. The *Shaping a Nation* report, released by the Australian Treasury and the Department of Home Affairs in 2018, acknowledges the positive contribution made by migration to Australia's economy and prosperity¹.

Modelling conducted prior to the COVID-19 pandemic for a report commissioned by the Migration Council Australia, suggested that, by 2050, migration would have contributed around \$1.6 trillion to the Australian economy, a growth of 40 per cent². While these pre-pandemic predictions are unlikely to be realised, the report emphasises that these benefits are not simply the result of growing the population. Rather, migrants – skilled migrants in particular – make a greater contribution to the economy than existing residents.

Further, the report showed that migrants on the student temporary visa stream would make the greatest economic contribution. Temporary skilled visa holders were also predicted to make significant contributions. This is attributed to the young age of these visa holders and their high levels of education and skills, increasing their human capital and economic capacity.

These models and reports were conducted prior to the disruption to global travel and migration due to the pandemic. The resulting uncertainty makes the planning of our migration programs challenging.

The reports emphasise, however, the contributions that skilled migrants make within our communities. It has been widely acknowledged that targeted and purposeful migration will be essential to post-pandemic recovery, both in Australia^{3,4} and on a global scale⁵.

Within this context, Australia's effective handling of the pandemic has given us a competitive advantage amidst uncertainty in many other parts of the world. This advantage should be used to encourage talented and skilled migrants to come to Australia.

Australia's university sector will play a critical role in educating and training the graduates who will significantly contribute to our post-pandemic recovery, employing highly skilled staff from around the world and educating our future workforce. Australia's migration program needs to support a strong and dynamic university system.

The program should recognise the diversity of knowledge and innovation the sector brings to Australia and the global nature of university recruitment and practice. Clear and accessible pathways for skilled migrants, who demonstrate commitment to contributing to Australia's economic and social development, are critical to future work and pandemic recovery.

Furthermore, identifiable pathways to permanent residency for temporary migrants who are demonstrably committed to contributing to Australia's long-term economic and social development are important. Clear pathways ensure that Australia remains an attractive option for world-class researchers, academics, university executives and highly skilled members of the broader workforce.

EMERGING FROM COVID-19

The pandemic has resulted in border closures and travel restrictions around the globe. Australia's success in managing the pandemic, and minimising the public health crises that have unfolded in other countries, can be attributed, in a large part, to our restrictions on overseas arrivals. However, this has also created a context of uncertainty in which it is difficult to plan for migration in 2022-23.

¹ [Shaping a Nation \(tspace.gov.au\)](https://www.tspace.gov.au)

² https://migrationcouncil.org.au/wp-content/uploads/2016/06/2015_EIOM.pdf

³ <https://theconversation.com/is-slowing-australias-population-growth-really-the-best-way-out-of-this-crisis-137779>

⁴ https://population.gov.au/docs/population_statement_2020_overview.pdf

⁵ <https://humanmobility.undp.org/content/human-mobility/en/home.html>

The Australian Population Statement, released in December 2020, projects that a combination of lower fertility rates, and a decrease in net overseas migration (NOM), will see the rate of growth in Australia's population contract to 1.2 per cent in 2019-20 and 0.2 per cent in 2020-21, compared to 1.5 per cent in 2018-19.

It is expected that NOM will fall from around 154,000 people in 2019-20 to around -72,000 people in 2020-21 and -22,000 in 2021-22⁶. These expected declines in NOM, and the uncertainty that surrounds Australia's borders as we reopen, add to the difficulty in planning an effective migration program for the coming years.

Given this uncertainty, it would be sensible for the primary goal for the 2022–23 Migration Program to maintain as much continuity as possible and avoid making any significant changes, to ensure Australia's post-pandemic recovery needs will be met. It has been widely acknowledged that targeted and purposeful migration will be essential to post-pandemic recovery, both in Australia^{7,8} and on a global scale⁹. Much of the commentary has focused on temporary migration to boost NOM levels and support the Australian economy.

While temporary migration is not a direct focus of Australia's migration program, some temporary visa categories act as important pathways to permanent residency. They are a source of candidates who have already demonstrated a commitment to Australia and are well-acquainted with our society. International students (visa subclass 500) and graduates on temporary work visas (visa subclass 485) in particular present a cohort of young, talented and educated individuals who have much to contribute to Australia's prosperity.

According to the Australia's Migration Trends 2019–20 Highlights¹⁰, around three-quarters of permanent residence places went to people who transitioned from a temporary visa. 18.3 per cent previously holding a student visa, while 18.1 per cent held a student graduate visa. This highlights the value of these temporary visa pathways to support Australia's permanent migration.

ENSURING AUSTRALIA'S VISA SYSTEM ATTRACTS THE BEST AND BRIGHTEST

Universities operate within a highly competitive environment to attract global talent to Australia. Addressing national research priorities and tackling both domestic and global challenges is becoming increasingly dependent upon international collaboration. Such collaboration is underpinned by the ability of students and staff to move between institutions in different countries at various stages of their careers. It is best supported by a visa system that facilitates, rather than hinders, this mobility.

Many countries with high-ranking and highly competitive university sectors, including the UK¹¹, Canada¹², the EU¹³, the Netherlands¹⁴, Germany¹⁵ and France¹⁶, have streamlined visa classes to facilitate the entry of researchers and academics for short- and long-term stays. Many of these specialised visas may offer clear pathways to permanent residency. Individuals wishing to pursue permanent residency via these pathways are required to meet threshold requirements relating to long-term career prospects, language capabilities and character assessment.

⁶ <https://population.gov.au/publications/publications-population-statement.html>

⁷ <https://theconversation.com/is-slowing-australias-population-growth-really-the-best-way-out-of-this-crisis-137779>

⁸ https://population.gov.au/docs/population_statement_2020_overview.pdf

⁹ <https://humanmobility.undp.org/content/human-mobility/en/home.html>

¹⁰ <https://www.homeaffairs.gov.au/research-and-stats/files/migration-trends-highlights-2019-20.PDF>

¹¹ <https://www.gov.uk/tier-2-general>

¹² http://www.cic.gc.ca/english/work/apply-who-permit-result.asp?q1_options=1b

¹³ <https://www.apply.eu/BlueCard/>

¹⁴ <https://ind.nl/en/work/Pages/Highly-skilled-migrant.aspx>

¹⁵ <http://www.bamf.de/EN/Migration/Arbeiten/BuergerDrittstaat/Forscher/forscher-node.html>

¹⁶ <https://www.campusfrance.org/en/talent-passport-long-visa>

The international standards for attracting global talent continue to shift. To remain competitive, Australia must keep pace with visa policies in countries with leading university sectors. A major factor in Australia's success in managing the pandemic has been our restrictions on overseas arrivals. With the reopening of the border imminent, it is imperative to issue swift and effective messaging to attract prospective talent, ensure visa processing is efficient and certify that administrative processes do not deter prospective talent from coming to Australia.

CLEAR AND ACCESSIBLE PATHWAYS TO PERMANENT RESIDENCY

The specialised visas of the countries mentioned above regularly offer identifiable pathways to permanent residency. The prospect of a straightforward transition to permanent resident status can be a deciding factor for highly sought-after knowledge workers considering a role in an Australian university. Furthermore, the desire to obtain such status reinforces a candidates' commitment to the nation's economy and prosperity.

There are exemptions to the skill, age and earning threshold requirements of the *Australian Citizenship Act* afforded to academics at levels B to E under the Direct Entry stream of the Employer Nomination Scheme visa (subclass 186). These enable academic visa holders to apply for permanent residency without first having worked in Australia on a temporary work visa.

These exemptions are important for university workforce recruitment and should be extended to senior academics and professional staff taking up senior leadership roles, including Vice-Chancellors or Deputy Vice-Chancellors. While these candidates meet the income threshold test, they are often over the age of 45 but are not afforded the age exemption, rendering the Direct Entry Permanent Residency stream unavailable. Given that many individuals recruited into leadership roles would be leaving senior positions in international universities, they are often reluctant to give up these roles without the security of permanent residency in Australia.

The Global Talent Employer Sponsored and Global Talent Independent programs, which incorporate pathways to permanent residency, go some way to improve the certainty universities can offer to high-calibre international recruits. Australia's universities have been very supportive of the Global Talent visa. It has played a very positive role in maintaining Australia's competitiveness to attract the world's best academic talent. While the Global Talent Independent program (GTI) can offer the expedited entry of knowledge workers into Australia, the seven 'target sectors' - which exclude the humanities, arts and social sciences (HASS) disciplines - potentially restrict their applicability to senior researchers and do not cater for highly specialised university administration roles. The salary threshold, which many staff positions would not meet, is also a limiting factor.

In regard to pathways to permanent residency for international students (visa subclass 500) and graduates on temporary work visas (visa subclass 485), Universities Australia advocates that the migration program points system continues to recognise the value of an Australian university or VET qualification, through the allocation of points to applicants who hold these qualifications. These applicants hold the appropriate credentials to make a valuable contribution to Australia and have already demonstrated a commitment to living in Australia.

SKILLED OCCUPATION LISTS

The nation's workforce must meet Australia's needs as we recover from the pandemic. Careful consideration must be given to the skilled occupation lists to enable the recruitment of people with the skills to assist in this recovery. Professions within the health and medical workforce must be considered carefully to ensure that the pipeline of health profession graduates is complemented by targeted skilled migration to ensure the full range of professionals are available to the Australian public.

However, the proliferation of multiple lists has made the system more complex to navigate, for both applicants and sponsors.

Such lists include the:

- Priority Migration Skilled Occupation List (PMSOL);
- Medium and Long-term Strategic Skills List (MLTSSL);
- Short-term Skilled Occupation List (STSOL);
- Regional Occupation List (ROL); and
- Regional Sponsored Migration Scheme (RSMS).

Consolidation of lists would improve transparency and simplify the administrative process for all parties.

Universities Australia has welcomed the move to a more transparent, evidence-based methodology in maintaining the skilled occupation lists. We do have concerns, however, regarding the applicability of this methodology to knowledge workers, including those in university-specific occupations. The demand for knowledge workers is driven by a complex set of variables, many of which are not quantifiable through existing metrics. These variables include domestic and international research priorities, state-based strategies, funding availability, changes to government policy and rapid, continuously evolving technology trends.

Consequently, we continue to advocate for any review of the lists to take into account:

- occupations where quantifying the absolute need for a specific occupation is impossible; and
- where metrics may not provide an accurate representation of future workforce needs.

In such cases, relevant authorities may make use of international benchmarks that demonstrate the contribution of foreign knowledge workers to the academic enterprise within countries competing for academic talent.

AUSTRALIAN AND NEW ZEALAND STANDARD CLASSIFICATION OF OCCUPATIONS

There are several university-based occupations which do not feature on the Australian and New Zealand Standard Classification of Occupations (ANZSCO) yet are of vital importance to the long-term success of Australia's universities. Many of these occupations relate to recently emergent themes and include occupations relating to digital and blockchain technology, renewable energy, and the societal and social implications of rapidly changing technologies. The lack of specific categories for these important professions highlights the current disconnect between the ANZSCO and the ever-evolving university sector.

The creation of additional occupations, along the lines of 'university researcher' or 'emerging disciplines researcher', would go some way to addressing this issue. However, assigning a new occupation to the ANZSCO is a complicated administrative process with long timelines. Furthermore, submitting an occupation through the months-long consideration process for inclusion on the ANZSCO may not result in a positive outcome, nor does inclusion on the ANZSCO guarantee inclusion on the Skilled Occupation List. An alternate approach, that is more responsive to the changing nature of academic research and the university workforce, is required.

INTERNATIONAL STUDENTS

The nation's international education sector makes a significant contribution to our economy, particularly on regional and local scales, as well as to our cultural and social fabric.

Australia has been extremely successful in building a strong international education sector during the past few decades, maintaining a reputation for high quality education experiences, delivered to

students from more than 140 countries. Australia is the third most popular destination for international students, behind only the United States and the United Kingdom.

International students who graduate from an Australian university enjoy the privilege of being eligible to apply for a post-study work visa. This enables them to continue their lives in Australia and consolidate their ties and commitment to Australian society. While 84 per cent of international students and graduates ultimately return to their home countries with Australian business experience and networks¹⁷, it must be acknowledged that international graduates are ideal candidates for skilled migration. These individuals have already lived and participated in and demonstrated a strong commitment to Australian society by obtaining an Australian university qualification. Maintaining strong and robust migration settings, that are amenable to providing international graduates with a pathway to obtaining permanent residency, is critical to Australia retaining its position as a desirable destination for international students.

MAINTAINING GLOBAL COMPETITIVENES

Australia's competitor countries have made recent changes to their immigration settings. These alter the global landscape and may affect Australia's ability to attract international students in both the short and medium-term future.

In September 2019, the UK introduced their Graduate Immigration Route, which allows international students graduating after the 2021 summer to live and work in the UK in any field, at any level. Students with an undergraduate or master's degree are eligible to stay for two years, while PhD students are eligible to stay for three¹⁸. There is no cap on application numbers¹⁹.

As the UK offers some one-year postgraduate courses, the minimum study period to be eligible for this visa is effectively only one year. While not a direct pathway to settlement, students can subsequently transfer into a skilled work pathway which can lead to settlement.

International students in Canada who graduate from an eligible institution can apply for a post-graduation work permit (PGWP), allowing graduates to live and work in Canada for a maximum of three years. The length of the PGWP is proportional to their term of study and the minimum eligible program length is eight months²⁰. International students can also be given the opportunity to apply for permanent residency through the Express Entry Pool and are allocated additional points in the scoring system²¹. In February 2021, Canada awarded 27,332 Invitations to Apply for Permanent Residence (ITAs). This draw was five times higher than any previous ITA draw²².

The United States' Immigration Program is undergoing a significant transformation as a result of the change in administration. Several of President Biden's election promises have been introduced, including the removal of limits on employment-based visas by country and expanding the number of visas for highly skilled international students. Naturalisation pathways for science, technology, engineering and mathematics (STEM) graduates will become significantly easier under the new administration as STEM graduates will not be counted in green card allocation caps²³.

By comparison, international students who graduate from an Australian university are eligible to apply for a Temporary Graduate visa (subclass 485). This visa allows graduates to live and work in Australia for 2-4 years, depending on the level of a graduate's qualification. This visa also has special

¹⁷ <https://research.treasury.gov.au/external-paper/shaping-a-nation>

¹⁸ <https://study-uk.britishcouncil.org/after-your-studies/post-study-work>

¹⁹ <https://homeofficemedia.blog.gov.uk/2019/10/14/fact-sheet-graduate-immigration-route/>

²⁰ <https://www.canada.ca/en/immigration-refugees-citizenship/services/study-canada/work/after-graduation/about.html>

²¹ <https://monitor.icef.com/2016/11/canada-eases-path-permanent-residency-international-students/>

²² <https://www.immigration.ca/why-did-canada-smash-express-entry-records-with-27000-invitations>

²³ <https://www.chronicle.com/article/bidens-plan-to-help-international-students-stay-after-graduation-could-help-recruit-them-in-the-first-place>

conditions for graduates who studied and will work in regional Australia, offering an extended 1-2 years depending on their location.

The minimum period of study is two years, of which 16 months must be conducted in Australia. This requirement has been relaxed during the pandemic, with students continuing their studies online and offshore due to travel ban retaining their eligibility for post-study work rights. It is important to maintain this flexibility for some considerable time once borders reopen as international students will require time to transition to study onshore. For similar reasons, any changes should be signalled well in advance.

While these provisions are generous and a large number of international graduates take up the option to stay in Australia to gain work experience and skills, the immigration settings in competitor countries may incentivise prospective students to consider alternative study destinations. As Australia's international education sector and the broader economy plan for an optimal post-pandemic recovery, it will be important to consider the role international education plays in:

- directly supporting the economy – the pre-pandemic worth of the sector was \$40.3 billion in 2019²⁴; and
- feeding an effective skilled migration stream that will be essential to Australia's pandemic recovery.

Maintaining robust yet competitive visa settings, comparable to our competitor countries, are important in maintaining Australia's reputation as a destination of choice for both international students and skilled migrants.

INTERNATIONAL GRADUATES AND SKILLED MIGRATION

According to the Australia's Migration Trends 2019-20 Highlights²⁵, of the 140,366 permanent residence places awarded through the Migration Program, 16,588, or 11.8 per cent, went to applicants who previously held a student visa. 16,424, or 11.7 per cent, went to those who held a student graduate visa. This indicates that nearly a quarter of the 2019-20 permanent residence places were allocated to former international students, highlighting the value of this cohort to support Australia's permanent migration.

Of the international students granted permanent residence in 2019-20, 9,992 were within the skilled stream, with the remainder allocated places within the family stream. While figures are not available for the number of graduate visa holders who received a permanent place within the skilled stream, a similar breakdown between the skilled and family streams can likely be assumed. This represents only a small proportion of international students and graduates. Further, the number of international students who transitioned directly from their student visa to a permanent residence place within the skilled stream has declined since 2013-14, when it stood at 10,766 (followed by a peak of 12,277 in 2015-16).

While these figures fail to capture how many international students and graduates transition to Temporary Work Skilled visas (subclass 457) and Temporary Skill Shortage visa (subclass 482), it is clear that the desirable pool of international students and graduates is not being tapped as deeply as it could.

This cohort has already demonstrated a commitment to Australia, are familiar with and have found a place within Australian society, and have already passed through various visa assessment processes. A skilled migration program that incentivises these skilled graduates to participate in the workforce will enable Australia to capitalise on the investments made in their education and time in the country. In turn, this will assist in our strong economic recovery over the coming years.

²⁴ <https://internationaleducation.gov.au/research/research-snapshots/Documents/RS%20Education%20export%202019.pdf>

²⁵ <https://www.homeaffairs.gov.au/research-and-stats/files/migration-trends-highlights-2019-20.PDF>

While students enter the country as genuine temporary entrants, there are current Government initiatives that support regional growth and form an implicit link between international education and temporary migration, namely the provision of an additional one to two years on a post-study work visa for international students who study and later work in a regional area. While this does not provide an explicit residency pathway for international students, it forges an informal link between international education and temporary migration. In many ways, this link is a logical and advantageous one. International graduates are highly skilled, already have experience and a commitment to Australia and, as such, are ideal candidates for skilled migration be it temporary or permanent. The Government may wish to consider formalising this link to encourage more international graduates to take up opportunities in Australia and contribute to our knowledge economy and broader prosperity.

SUPPORTING REGIONAL MIGRATION

Australia's regional areas are greatly enriched by the presence of a university, benefiting from the education, employment and innovation opportunities they offer. Modelling conducted for the Regional Universities Network (RUN)²⁶ indicated RUN universities contributed around \$2.4 billion to their local communities in 2018²⁷. It is important to acknowledge the strength of our regional universities and provide migration pathways that encourage international students and researchers to engage with these institutions.

The opportunity for international students to seek additional years on their Temporary Graduate Visas following study and work in a regional area is a good incentive for bolstering engagement. Positive incentives such as this are far more likely to be successful than attempts to impose restrictions on where international students should study and/or work. It is important, however, that such initiatives are a net addition to the sector and do not come at the expense of other initiatives.

Consideration could be given to adjusting the allocation of points to further regional participation, but this must be done with care to avoid undermining the integrity of the points system.

Of the 16,588 student visa holders who transitioned to permanent residency within the skilled stream during 2019-20, 3,742 were allocated regional places. A further 6,587 people were allocated places within the family stream. Some of these presumably accompanied those allocated the regional places. This indicates that around one quarter of international students who gained permanent residency have likely settled in regional areas.

More generally, skilled migration is critical to supporting the workforce in regional areas, particularly in nursing. This is evident from the most prominent occupations of skilled migrants to the regions. In 2019-20, five of the top six occupations awarded Skilled Work Regional visas (subclass 491) were:

- registered Nurse;
- registered Nurse (Critical Care and Emergency);
- registered Nurse (Aged Care);and
- enrolled Nurse and Registered Nurse (Medical).

Engineering occupations also feature prominently on this list²⁸.

Additional post-study visa provisions, conducive to attracting talent to study and work in regional areas, are valuable efforts to support the regions.

²⁶ The Regional Universities Network includes Charles Sturt University, Southern Cross University, Central Queensland University, University of the Sunshine Coast, University of Southern Queensland, Federation University and University of New England.

²⁷ <https://www.run.edu.au/EconomicImpactofRUNUniversities2020>

²⁸ Department of Home Affairs submission to the Joint Standing Committee's inquiry into Australia's skilled migration program (Submission #16) p7.

COMMUNICATION, CERTAINTY AND CLARITY

Consistency of migration processes directly impacts upon Australian universities' ability to recruit international students and staff. Changes in the system, large or small, create uncertainty. It is essential that all changes are carefully communicated to stakeholders and the public in a timely manner. This assists the higher education sector's own risk mitigation and will be particularly important for Australia as we emerge from significant uncertainty and recover from the impacts of the pandemic.

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