EXECUTIVE SUMMARY

The Council of Capital City Lord Mayors in partnership with the Group of Eight (Go8) Universities - along with University of Tasmania and Charles Darwin University - seek the following changes to the Post-Study Work arrangements for international students to enhance Australia’s global competitiveness in this market.

KEY POINTS

To retain Australia’s coveted international student competitive advantage, it is recommended that we advocate to extend the length for the Post-Study Work (PSWR) visas as a pathway to permanent residency and, if desired, citizenship. The key underlying policy rationale behind PSWR was to implement a post-study work rights regime that would enhance the value of an educational experience in Australia’s international education sector and in doing so, enhance our attractiveness as a study destination. This initiative will also support addressing labour and skills shortages, which is also a growing challenge in Australia.

This is consistent with the Go8’s call for an Australian version of the High Potential Individual (HPI) visa, similar to that introduced recently in the UK which is designed to make it as simple as possible for graduates of top global universities to fill workplace shortages. Together, extended PSWR and an HPI visa could complement each other to provide both short- and medium-term pipelines of talent into the Australian workforce.

BACKGROUND

International students contribute to a rich cultural and social fabric in Australia. International students’ presence at universities across the country enhances the education experience. International education is one of Australia’s largest exports. A 2018 report by London Economics found that the Group of Eight (Go8) had an annual economic impact to the Australian economy of some $66.4 billion each year, and Independent Higher Education Australia in its Federal election platform document reported the impact of the COVID-19 pandemic has reduced the value of the Australian international education industry from $40 billion in 2019 to an estimated $22 billion in 2022. A drop in international student enrolments has adversely impacted demand for housing, the flow of jobs and consumption for which the student market is responsible, migration and the broader economy. Many businesses in capital cities rely on international student workers and patronage. With unemployment at historically low levels and growing skills shortages in key sectors, international students are a key under-utilised talent pool for industry to tap into. The lack of international students (along with working holiday-makers and skilled visa holders) is contributing to a significant and increasingly critical shortage of workers in the accommodation and hospitality sectors, severely impacting the pace of business recovery from COVID-19. Australia should therefore be seeking to remove the barriers to newly qualified students looking to contribute to or even build a future in Australia.

A recent survey of more than 1000 education agents in more than 70 countries conducted by global education provider Navitas found that ‘Australia’s reputation as a study destination is at an all-time low.’ On the key metric of ‘open and welcoming,’ Australia is a long way behind leaders Canada and the United Kingdom.¹

To date Australia’s capital city advocacy has heavily focused on removing COVID-19 restrictions, which are impediments to the return of international students. For example:

- City of Melbourne advocacy played a role in successfully establishing of a State Student Arrivals Plan in October 2021 and then reopening borders to international students in December 2021.
- The Lord Mayor of the City of Sydney, Clover Moore advocated strongly for the safe return of international students to NSW, including to the NSW Treasurer for financial support for services and quarantine facilities.
- The Lord Mayor of the City of Adelaide and Vice Chancellors at South Australia’s major universities jointly advocated to State and Federal Governments for the trial return of 300 students from Singapore. Ongoing engagement to support changes to migration policy settings that can attract greater numbers of students to Adelaide by affording further additional bonus points and extending post study lengths of stays for international student graduates in regional areas is occurring through the City of Adelaide and StudyAdelaide.

The Go8 also worked collaboratively with State and Federal Governments, helping to develop a “secure corridor” plan to bring students back onshore within health safeguards.²

The return of students has been made even more accommodating by initiatives such as:

- City of Melbourne is providing initiatives, such as the Experience Melbourne program, The Couch – International Student Centre, and collaboration with Study Melbourne; programs aimed to help international students engage with the community, experience fulfilling and beneficial employment and excel in their academic pursuits.
- City of Sydney continues to provide internship and volunteer opportunities for international students to support work-integrated learning and community participation and collaborates with Study NSW.
- The City of Adelaide has supported wellbeing initiatives for international students, including activities in our park lands, a swimming program at our aquatic centre in partnership with Royal Life Saving SA, a highly participatory youth week event which had a ‘play street’ focus and other place based activities regarding nutrition, mental wellbeing and connection to community through volunteering.
- Resumption of international student orientation activities at Go8 universities, such as O-week, campus tours, student mentoring, introductions to clubs and societies and other support services.
- City of Hobart, in partnership with Study Tasmania, administers the International Student Support Grant stream and provides volunteer opportunities to international students through the City of Hobart International Student Ambassador program - connecting students to local events and communities, and supporting them with the design and delivery of projects that make the city a more welcoming and inclusive place.

In partnership with the Tasmanian Government, tertiary education industry members and community

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sector organisations, the City of Hobart is also exploring the possibility of a "welcome to Hobart" concierge experience for international students; working with employers and service providers to welcome students to the city and let them know who to talk with in relation to employment, training and support while studying in Hobart.

Currently, international students have a variety of employment options in Australia, including:

- **Part-time work while studying:** Once students have commenced their course, they can work up to 40 hours per fortnight during teaching and exam periods. When their course is not in session (e.g., summer break when they are not enrolled in subjects), there are no restrictions on the hours they can work. Currently, there is a temporary relaxation of student visa work limits to all sectors of the economy. All ongoing students, as well as new student arrivals, can work more than 40 hours per fortnight in any sector of the economy (this arrangement was due to be reviewed in April 2022, but is yet to be completed).6

- **Post-study graduate roles and visas:** Most international students qualify for 485 graduate visas that give them full working rights for two and six years. Students with these visas have full working rights from the end of their studies, on their bridging visas (which bridge the gap between their student visa and their graduate visa) and for the duration of their graduate visa.7

  - **Post-Study Work Visas:** The duration of these visas is two, three or four years, depending on the highest educational qualification they have obtained. They may also be eligible for additional years if they have studied and remained in a regional area, increasing the years they can work in Australia by another one to two years – these areas include Hobart, Adelaide, Perth, Darwin, and Canberra.

Australia’s competitive advantage in the international education market has in part been due to pathways to post-study work and permanent residency via the Temporary Graduate visa (subclass 485) Post-Study Work stream. This is a temporary visa for international students who have graduated from an Australian institution. The length of your stay in Australia will depend on the level of your Australian study qualification.8

International students studying at regional universities will be eligible to access an additional 2 years in Australia on a post-study work visa, which effectively means graduates are eligible for up to 5 years.

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Capital cities considered regional include Hobart, Perth, Adelaide, Darwin, and Canberra – the purpose of this is to incentivise a more sustainable balance of international student activity across Australia, see table opposite.9

Similarly, the Graduate Work stream (subclass 485) is a pathway that allows recent graduates with skills and qualifications relevant to specific occupations in Australia to live, study and work in Australia for 24 months.

On 1 July 2021, the United Kingdom introduced the new Graduate Route, which extended post-study visa opportunities to allow for students to work or look for work after their studies for a maximum period of 2 years for bachelor, or 3 years for doctoral.10 At the time of being announced, Phil Honeywood, Chief Executive of the International Education Association of Australia described this initiative as “a game changer for a number of markets we have taken for granted”.11

The UK followed this up in March 2022 with the announcement of the High Potential Individual (HPI) visa, via which talented graduates of top global universities will be able to work in the UK for between two years (if Bachelor graduates) and three years (if PhD graduates) with pathways into longer term employment routes. 12

While Australia continues to support measures to promote the return of international students, competition from markets such as the UK means we may have to work harder to attract the best candidates. The Universities and Colleges Admissions Service (UCAS) said UK universities applications from China grew by 12% to 28,930 applicants, and applications from India have increased by 11% year-on-year to 8,660 applicants and have almost doubled since 2019.13

Canada has also recently announced extensions to their post graduation work permits for recent graduates whose visas are due to expire this year.14

<table>
<thead>
<tr>
<th>Definition</th>
<th>Locations</th>
<th>Incentives for international students</th>
</tr>
</thead>
<tbody>
<tr>
<td>Major Cities</td>
<td>Sydney, Melbourne, Brisbane</td>
<td>Regular 2 years post study work visa for international students completing Bachelors, 3 years for Masters by Research and 4 years for PhD graduates.</td>
</tr>
<tr>
<td>Cities and Major Regional Centres</td>
<td>Perth, Adelaide, Gold Coast, Sunshine Coast, Canberra, Newcastle/Lake Macquarie, Wollongong/Illawarra, Geelong, Hobart</td>
<td>International students studying at regional universities will be eligible to access an additional year in Australia on a post-study work visa (which means 3 years for Bachelors, 4 years for Masters graduates, and 5 years for PhD graduates).</td>
</tr>
<tr>
<td>Regional Centres and Other Regional Areas</td>
<td>All other locations</td>
<td>International students studying at regional universities will be eligible to access an additional 2 years in Australia on a post-study work visa.</td>
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</tbody>
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12 https://questions-statements.parliament.uk/written-statements/detail/2022-03-15/hcws680
To increase Australia’s competitive advantage in the international student market the CCCLM and the Go8 recommend extending the length for which students are entitled to stay and work in Australia under the Post-Study Work stream visa (subclass 485).

These extensions should be applied to each of the categories, Bachelor, Masters or PhD, to reflect the skills, knowledge, and experience acquired. This is essential to attract high calibre and diverse students to Australia and allow international student graduates time to find employment in their chosen field.

- Bachelor’s degree (including honours): extend from 2 years to 4 years
- Masters by research and masters by coursework: extend from 3 years to 4 years
- Doctoral degree: extend from 4 years to 5 years

For regional universities, it is recommended that the length of the PSWR be extended accordingly for them to remain competitive and appealing to international students within the Australian market.

To ensure the diversity of talent, it is recommended that the Department of Home Affairs, National Skills Commission, and Group of Eight provide guidance on criteria which can be used to inform visa application consideration.

**FINANCIAL CONSIDERATIONS**

Currently, Australia’s subclass 485 visa costs from AUD 1,680. On the other hand, the United Kingdom’s Graduate Route application fees are GBP 700 (AUD 1,260).

The number of Post-Study Work visa applications lodged in 2020-2021 was 72,220, and 2021-2022 was 37,128. The number of Graduate Work visa applications lodged in 2020-21 was 12,931, and 2021-2022 was 9,170.15

Noting that applications lodged were at their highest in 2020-21, the financial implications of this policy are estimated to create an additional $66 million in visa application fee revenue, assuming successful applications return to their peak.

Temporary Skills Shortage visa-holders are more likely than the general population to live in capital cities meaning this will have particularly positive impacts for the city.16

Economic modelling undertaken by PWC estimates the education sector in the City of Melbourne will experience a $1.517 billion drop in output due to COVID-19, with 6800 fewer jobs. For every dollar lost in university tuition fees, another $1.15 is lost in the broader economy due to a reduction in student spending.

**RECOMMENDATIONS**

The CCCLM recommends that the Federal government provide:

1. Access to an extended Australian post-study work visa – 4 years for Bachelors and Masters, and 5 years for doctoral degrees.

2. Retention of Regional Universities extended PSWR in addition to the recommendation above to ensure sustainable balance across Australia, i.e., additional years in all categories – 5 years for Bachelors and Masters, and 6 years for doctoral degrees.

3. Introduction of a High Potential Visa adapted from the UK model to complement the extended post study work rights

4. Incentives for businesses to partner formally with universities and other tertiary education providers to offer international students quality work experience opportunities both during and after their studies.

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