

SUBMISSION TO THE DEPARTMENT OF HOME AFFAIRS: AUSTRALIA'S 2024-25 MIGRATION PROGRAM

15 December 2023

As the peak body representing Australia's 39 comprehensive universities, Universities Australia (UA) welcomes the opportunity to make a submission to the Department of Home Affairs planning for Australia's 2024-25 migration program.

Australia's success is underpinned by a culture rich in diversity and multiculturalism, reliant on a migration system that supports the varied people who call Australia home and who contribute to our cultural and economic success. The release of the *Migration Strategy* on 11 December, emphasised the need to overhaul aspects of Australia's migration system. UA notes the need to consider the outcomes of this *Strategy* in planning the size and composition of the skilled component of the migration program in 2024-25 and beyond, to ensure the policy reforms align with program numbers.

Universities Australia recommends that:

- The primary goal of the 2024-25 Migration Program should be ensuring program outcomes align with the policy intent of the Migration Strategy.
- The Australian Government should maintain robust yet competitive visa settings, comparable to our competitor countries, to continue to attract world-class students, researchers and university staff.
- The Migration Program serve the needs of the nation, while ensuring the overarching principle of this exercise should be to do no harm.

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. Our international education sector plays an important role here, attracting talented and knowledgeable people who study for a world-class education at our universities and, when there is a clear need for their skills, remain in Australia to complement our homegrown workforce. Education is a vital economic driver – prior to the pandemic it earned the nation almost \$41 billion and is on track to eclipse that figure in 2023. It is in our interest to preserve and strengthen this sector.

The *Review of the Migration System*¹ emphasised the need to overhaul the current system as it fails to attract the highly skilled migrants Australia needs and encourages a permanently temporary migrant population. It also emphasised that it would be a missed opportunity if Australia didn't attempt to keep international students with high potential. In response, the government released the *Migration Strategy*², a 10-year plan to ensure Australia has access to the skills it needs to address our national challenges. The *Strategy* is moving away from the status quo by committing to improve all facets of Australia's migration system from reforming the student visa program to support genuine students to access high quality education, right through to the introduction of the Specialist Skills Pathway and the

¹ [Review of the Migration System \(homeaffairs.gov.au\)](https://www.homeaffairs.gov.au/review-of-the-migration-system)

² [Migration Strategy \(homeaffairs.gov.au\)](https://www.homeaffairs.gov.au/migration-strategy)

new Talent and Innovation visa. These reforms will open up new and streamlined pathways to ensure Australia can quickly and easily recruit top talent to complement Australia's homegrown workforce and support the ongoing growth in the skills and expertise of this workforce. The *Strategy* signals the government's intent to simplify, strengthen and provide clarity on a faster pathway to permanent residence to those graduates working to address Australia's skills needs.

Recent Treasury modelling³ shows that well-targeted skilled migration complements the skills of the existing workforce and supports the education and skills systems to deliver the workforce required to support Australia's long-term economic prosperity. It also shows that permanent migrants who arrive younger and are highly skilled, generally make a higher fiscal contribution during their time in Australia.

Australia's universities are central to educating and training international students who significantly contribute to our society, employ highly skilled staff from around the world, and are pivotal to educating our future workforce. Highly skilled international graduates with an Australian qualification make ideal candidates for skilled migration.

The Migration Program should recognise the diversity of knowledge and innovation the higher education 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 the future workforce and supporting our skill shortages.

Further, the Migration Program should also align with the government's shift in policy to support pathways to permanent residency for temporary migrants who are demonstrably committed to contributing to Australia's long-term economic and social development. Clear pathways and clarity of process ensure that Australia remains an attractive option for world-class researchers, academics, university executives and highly skilled members of the broader workforce.

A MIGRATION SYSTEM FOR A MORE PROSPEROUS AND SECURE AUSTRALIA

In April 2023, the government outlined a plan⁴ for a new migration strategy which emphasised the need for significant reforms to improve the current system. As part of the review, the Hon Clare O'Neil, Minister for Home Affairs reaffirmed how vital international education is to the economy and Australia's prosperity and how it contributes tens of billions to the Australian economy each year, supports tens of thousands of jobs and helps pay for the essential services all Australians rely on. The *Migration Strategy* acknowledges the importance of moving from a system of 'permanent temporariness' towards a simplified system that provides clarity on permanent migration status.

The government is seeking to improve job readiness and outcomes of international graduates by incorporating more work-integrated learning into tertiary courses to support employment in their field of study. The government has committed to providing faster pathways to permanent residence for the skilled migrants and graduates Australia needs by reducing the time international students spend on bridging visas.

In planning the size and composition of the skilled visa program for 2024-25, and all future program years, the government will need to align with the policy to move towards a more highly skilled migrant population.

Australia's international education sector makes a significant contribution to our economy, adding almost \$41 billion in 2019, as well as to our cultural and social fabric. Our nation has been extremely successful in building a strong international education sector during the past few decades. Despite shifts in policy direction and a pandemic, Australia has maintained a reputation for delivering high quality education experiences to students from more than 140 countries.

³ <https://treasury.gov.au/sites/default/files/2023-08/p2023-435150.pdf>

⁴ <https://immi.homeaffairs.gov.au/programs-subsite/files/migration-strategy-outline.pdf>

According to IDP's latest *Emerging Futures 4* survey⁵ released in October 2023, Australia and Canada are now equal first destination of choice among prospective students due to changing perceptions of employment opportunities and post-study work rights, followed by the United Kingdom and then the United States.

Despite this, only 28 per cent of international graduates use their post-study work rights and 16 per cent of international graduates become permanent residents. However, certain international graduates make ideal candidates for skilled migration. These individuals have already lived, participated in and demonstrated a strong commitment to Australian society by obtaining an Australian university qualification. Yet, 84 per cent of international graduates ultimately leave Australia for other countries with Australian business experience and networks. Maintaining strong and robust migration settings that are amenable to providing international graduates with a pathway to obtaining permanent residence is critical to Australia retaining its position as a desirable destination for international students. Any changes, now or in the future, that restrict the movement of genuine students to our shores need to be weighed carefully against the significant benefits they bring, during and after their studies.

MAINTAINING GLOBAL COMPETITIVENESS TO ADDRESS CHALLENGES

Australia's ability to address national research priorities and tackle domestic and global challenges is becoming increasingly dependent on international collaboration. This collaboration is underpinned by the ability of university staff (and students) to move between institutions in different countries at various stages of their careers.

While the total number of students completing a higher degree by research (HDR) doubled over the past two decades up to 2019, Australia is now experiencing a significant decline with total completions dropping by more than 17% over the period 2019-2021⁶. Domestic enrolments in PhD and Masters programs will not meet the demand from industry, and high level technical skills are vital to support economic diversification and prosperity. Australia needs to remain competitive and desirable to continue to attract top-tier international academics and these declining numbers should be considered in planning for future years.

Australia's complex visa system and long visa wait times leave us vulnerable to losing top tier academics (both research and education-focused) to our competitors. When this happens, we lose the capacity to attract strong research leaders internationally to Australia. These leaders are needed to provide a step-change in research capacity to make a difference in research productivity and innovation. Additionally, we need these research leaders to not only provide the very best training to the nation's future skilled workforce, but also to train the next generation of researchers and lecturers, so that our knowledge pipeline remains strong and secure.

Many countries with high-ranking and highly competitive university sectors, with whom we compete for academic talent, including the United Kingdom, Canada, the Netherlands, Germany, France, and other member countries of the European Union have streamlined visa classes to facilitate the entry of skilled migrants.

In addition to migration systems that facilitate the recruitment of highly talented academic staff, these countries often offer identifiable pathways to permanent residence for both academic and dependants. The prospect of a relatively straightforward transition to permanent resident status can be a deciding factor in attracting highly sought-after knowledge workers. Many international candidates for senior roles within universities are unwilling to accept offers of employment in Australia unless they know they can obtain permanent residence before leaving their countries of origin. Furthermore, the desire to obtain permanent residence when taking a role at an Australian university reinforces a candidate's commitment to contribute to the nation's knowledge economy.

⁵ [Latest International Student Research: Emerging Futures 4 \(idp-connect.com\)](https://idp-connect.com)

⁶ UA Facts and Figures 2023

INTERNATIONAL GRADUATES AND SKILLED MIGRATION

According to the 2021-22 data⁷, Australia's Migration Program delivered 143,556 places—down 10.3 per cent on the 160,052 places in 2020–21. Not only that, but the 2021-22 Migration Program delivered 46,444 fewer places (24.4 per cent) than a decade earlier, with 190,000 places in 2012–13. This was largely a result of the skills stream being down 39,910 places (30.9 per cent) on the 128,973 places delivered in 2012–13.

The reduction in numbers over the years is contrary to the recommendations put forward in the *Review of the Migration System* and the shift in government policy to support pathways to permanent residence for temporary migrants, particularly those migrants who are demonstrably committed to contributing to Australia's long-term economic and social development.

The data shows, of the 107,997 permanent residence places granted through the 2020-21 Migration Program, 23,292, or 21.6 per cent, went to applicants who previously held a student visa. Despite the number of student visa grants increasing in recent years, there has been a downward trend in former international students transitioning to a permanent visa since 2012–13, when it reached 30,170 places.

While these figures fail to capture how many international students and graduates transition to Temporary Work Skilled visa (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 be. 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 in Australia. In turn, this will assist in filling the skills gaps that Australia is currently experiencing.

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)⁸ indicated RUN universities contributed around \$2.4 billion to their local communities in 2018. 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.

It is noted that 18,223 regional places were delivered in 2021-22, an increase of 34.1 per cent in 2020-21. International graduates make ideal candidates for skilled migration to regional areas and there is demonstrated interest from this cohort to take up these opportunities. Of the 11,091 former international student visa holders who transitioned to permanent residence within the skilled stream during 2021-22, 4,408 were allocated regional places. This indicates that around one quarter of international graduates who gained permanent residence have likely settled in regional areas.

The opportunity for international students to seek additional years on their Temporary Graduate Visas following study and work in a regional area continues to be 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.

COMMUNICATION, CERTAINTY AND CLARITY

UA supports the government's commitment to transition to multi-year Migration Program planning. Australia should move away from the current status quo towards a system that provides longer term clarity on prospects for permanent residence. 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. Multi-year planning will ensure continuity and support university

⁷ <https://www.homeaffairs.gov.au/research-and-stats/files/migration-trends-highlights-2021-22.PDF>

⁸ 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.

planning and recruitment strategies. It is essential that all changes are clearly communicated to stakeholders and the public in a timely manner with opportunities for consultation.

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