Universities Australia is the peak body representing Australia’s 39 comprehensive universities. We welcome the opportunity to respond to the Trade Sub Committee of the Joint Standing Committee on Foreign Affairs, Defence and Trade’s Inquiry into Australia’s tourism and international education sectors. This submission will be responding to the Terms of Reference concerning international education.

Key recommendations for the Australian Government:

- In future crises, consider extending the eligibility of support services to student visa holders (subclass 500) and temporary graduate visa holders (subclass 485).

- Help to improve the international education experience in Australia by a) applying the fortnightly limit on international student working hours to paid work only and b) produce regular statistical updates around international student outcomes and employability.

- Consider international graduates as ideal candidates for skilled migration and provide clear and robust migration pathways.

- Automatically grant the temporary graduate visa to all international students who meet the course requirements for graduation and the relevant character conditions as assessed by the Department of Home Affairs throughout their course of study.

- Create a function within Jobs and Skills Australia to advise employers and industry groups on how to navigate the migration system.

- Replace the genuine temporary entrant visa requirement with a genuine student visa requirement, to ensure the student visa is not used by non-genuine students to enter the country, but without requiring a discussion of the applicant’s plans upon graduation.

- Recognise the soft power origins of international education and develop existing and new programs with a view to contributing to the Indo-Pacific region.
INTRODUCTION

Australia’s universities have not been immune to the ongoing impact of the COVID-19 pandemic. The international education sector has been hit hard, with repercussions extending across the country and the economy. Students, institutions, and accommodation providers – as well as other businesses which provide services for and benefit from international students – have all been significantly affected. International student enrolments – and more critically, commencements – are down, student accommodation buildings have been empty, and small businesses dependent upon international students are suffering – and in some cases, shutting down.

At the same time, the unprecedented crisis of the last two years has highlighted the indispensable contributions that international education makes to the nation. These contributions are not only economic, with international education supporting more than 250,000 jobs1 and contributing more than $40 billion to the economy in 20192, but also social benefits in terms of strengthening our social fabric, bringing new ways of thinking and doing things, filling jobs and skills gaps, and living as essential members of our communities.

As we recover from the pandemic, it is important that the messaging provided to prospective, current and past international students is consistent across government, is positively pitched and emphasises the valuable contribution they make to all aspects of Australian society. Furthermore, government should remain cognisant of the significant losses the international education sector suffered throughout the pandemic in terms of reputation, staffing and revenue.

Enhanced cohesion across government would also lead to more effective use of free trade agreements and other bi-lateral and multi-lateral agreements to facilitate trade policy that better supports our export services. Issues such as regulatory barriers and constraints set by other governments on qualifications and standards recognition could be pursued with more targeted efforts to achieve beneficial outcomes for the sector.

As international borders reopen, and effective vaccines are delivered around the world, international education will continue to recover. International students will return – gradually and safely – to Australia’s cities and towns, boosting economic activity and strengthening connections with the world – especially our Asia-Pacific neighbours.

This submission has five components, corresponding to the international education-specific Terms of Reference for this Inquiry:

1. Challenges associated with the loss of international students
2. Measures to attract and retain students to Australia
3. Initiatives to ensure positive international student experience and skill building
4. Opportunities for international education to support strategic and foreign policy objectives

Universities Australia would welcome the opportunity to engage further with the Joint Standing Committee on Foreign Affairs, Defence and Trade about the issues contained in this submission. Please direct any initial questions regarding the submission to Mr Peter Chesworth, Deputy CEO at p.chesworth@universitiesaustralia.edu.au.

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CHALLENGES ASSOCIATED WITH THE LOSS OF INTERNATIONAL STUDENTS

REPUROCSSIONS OF THE COVID-19 PANDEMIC ON THE INTERNATIONAL EDUCATION SECTOR

The Australian international education sector experienced sustained growth during the decade to 2020. In 2019, there were 758,154 international students in Australia, with 46 per cent of whom studied in the higher education system. The sector was worth $40.3 billion to the Australian economy. At the time, international education was Australia’s biggest service export and fourth largest export behind coal, iron ore and natural gas.

At the onset of the COVID-19 pandemic, universities moved to teaching students using online delivery methods; suspended most physical research activities and asked as many staff as possible to work from home.

Whole curriculums were moved online over a very short time and students and staff adapted quickly to a very new way of teaching and learning. Wherever possible, courses proceeded on normal timeframes, with universities working to provide students with as much flexibility and support as they could.

In some cases, there was more substantial disruption to normal learning and teaching activities. This was keenly felt in courses that required clinical or practical placements or where face-to-face teaching was necessary. In those cases, classes were either suspended or deferred and universities worked closely with relevant stakeholders to ensure students were not disadvantaged and that placements could resume as soon as possible.

In addition to a restriction on the arrival of international students, restrictions on international mobility also created a significant disruption to normal academic activities such as international research collaboration, exchanges and conferences, which are vital to research productivity and help to enrich the student experience.

There was significant economic and cultural impact felt on university campuses and in communities, with students not able to enter Australia.

The national economy also suffered, with the value of international education as an export nearly halving from $40 billion in 2019 to $22 billion in 2021.

It is important that the messaging provided to prospective, current and past international students is consistent across government, is positively pitched and emphasises the valuable contribution international students make to all aspects of Australian society.

The sector has demonstrated remarkable strength, resilience and innovation throughout the pandemic and although the sector continues to grapple with ongoing ramifications of this challenging period, signs of growth are beginning to emerge.


MEASURES TO ATTRACT AND RETAIN STUDENTS TO AUSTRALIA

SUPPORT FOR INTERNATIONAL STUDENTS IN THE COVID-19 PANDEMIC

Despite the sector continuing to face significant challenges associated with the disruption of the COVID-19 pandemic, there was extraordinary work undertaken by universities to support international students through the course of the pandemic.

Hardship funding

Throughout the pandemic, many international students lost their casual jobs and were ineligible for any form of income support provided to Australian citizens. Australian universities pivoted and put in place a range of initiatives to support their students through this challenging period, at a time when the universities themselves were under significant financial pressure.

Between April and September 2020, Australian universities provided more than $110 million in direct funding to more than 75,000 international students in need. Additionally, universities provided a range of other in-kind and academic support to international students, including:

- working in conjunction with a range of charities to provide free meals and groceries to students in need.
- establishing food pantries and hampers, in some instances with goods donated by university staff.
- provision of emergency housing support.
- provision of visa, tenancy, and other legal advice.
- fee due date deferrals.
- refunds of other university fees, such as parking and student amenities fees.
- multi-language support services.
- enhanced and extended welfare services, including counselling and mental health services and personal welfare checks on vulnerable students.
- academic support such as remote academic skills support.
- provision of support with technology and internet needs to support remote learning including laptop loans and the provision of internet packages.
- online programs for social engagement such as virtual lounges or social media chat groups for students to connect online.
- rent relief for students who left on-campus accommodation.

Significant assistance also came from state and territory governments which provided financial and other forms of support to international students, such as the Working for Victoria initiative which helped students who had lost their jobs to find new employment opportunities.

While these initiatives went some way to supporting international students throughout the pandemic, they were largely inaccessible to international student graduates who were on a

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temporary graduate visa (subclass 485). These graduates have made a significant investment in Australia, particularly during the pandemic, but this investment was not reciprocated.

This contrasts with how graduates were supported in the United Kingdom, New Zealand and Canada, where government wage subsidies and income support programs were implemented in response to the pandemic. Access to these programs was extended to international students, providing protection and support to those students who met the necessary eligibility criteria.

Recommendation 1: In future crises, the Australian government should consider extending the eligibility of support services to student visa holders (subclass 500) and temporary graduate visa holders (subclass 485).

INITIATIVES TO ENSURE POSITIVE INTERNATIONAL STUDENT EXPERIENCE AND SKILL BUILDING

Australia currently ranks well against our competitors for international student experience. According to the latest ‘Emerging Futures’ survey, released in October 2022, most respondents considered Australia’s higher education sector to be supportive of international students, while considering Australia as safe, supportive and welcoming of people from other countries. We are ranked only behind Canada for perceptions of the welfare we provide to international students.

Work Integrated Learning opportunities

Work integrated learning (WIL) experiences are highly valued by international students seeking to gain professional skills and experience. The Council for International Education has acknowledged the importance of ensuring our institutions provide skills-based education and training that produces job-ready graduates. Uptake of non-compulsory WIL activities has steadily increased over recent years and is encouraged by government, employers and universities.

International students must comply with their visa conditions while in Australia, one of which is a fortnightly limit upon the number of hours they can work during term time (noting this is currently suspended, and the exact fortnightly hours are under review). Under the current arrangements, work-based placements, or other WIL activities, such as an internship, that are a required part of a student’s course do not count towards the international student work limit, provided that the WIL element was explicitly listed in the course requirements within the Commonwealth Register of Institutions and Courses for Overseas Students (CRICOS).

However, if a student undertakes a WIL activity on an elective basis, the time engaged in this activity counts towards a student’s working hours limit. The consequence of this is that a student might inadvertently breach their visa conditions through no fault of their own.


Government support for international students to access elective work integrated learning opportunities beyond their capped hours of work, irrespective of whether they are CRICOS registered experienced or not, would provide a pathway for international students to build further skills beyond their studies and contribute to Australia’s prosperity. This would also ensure that fortnightly work hours can remain solely for paid work and provide students ample opportunity to support themselves over the course of their studies.

It is also necessary that industry is included in this conversation as one of the hurdles to securing WIL opportunities for students is the availability of placements.

**Greater access to data on employment outcomes**

The government and the sector would benefit greatly from having access to better and more regular (minimum every two years) longitudinal data about the employment outcomes of international graduates.

The permanent establishment of such datasets, building on the International Graduate Outcomes Survey, would empower government and providers to make evidence-based decisions. They could target specific policies and other interventions to address areas of national or institutional weakness as they arise.

Improved data related to employment of international students following graduation could also include city/state of employment correlated against city/state/institute of graduation to enable tracking of employability outcomes.

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**Recommendation 2: Improve the international education experience in Australia by a) applying the fortnightly limit on international student working hours to paid work only; and b) producing regular statistical updates around international student outcomes and employability.**

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**OPPORTUNITIES FOR INTERNATIONAL EDUCATION TO SUPPORT STRATEGIC AND FOREIGN POLICY OBJECTIVES**

**INTERNATIONAL GRADUATES AS CANDIDATES FOR SKILLED MIGRATION**

**International graduates as skilled migrants**

International graduates are ideal candidates for skilled migration. They are young, highly educated individuals who have already lived in and demonstrated a strong commitment to Australian society by obtaining an Australian university qualification.

Studies have shown that attractive visa pathways post-study can be a key influencing factor for a prospective student when considering their overseas study destination. Therefore, maintaining strong and robust migration settings, that are amenable to providing international graduates with a clear pathway to skilled migration and permanent residence, is critical to Australia retaining its position as a desirable destination for international students.

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Clear migration settings to support international graduates to become skilled migrants not only incentivises students to choose Australia as their study destination, but it also provides immense benefits to Australian society and our economy. Modelling conducted prior to the COVID-19 pandemic suggested that by 2050, migration would have contributed around $1.6 trillion to the Australian economy, growing the economy by 40 per cent.

This analysis showed that migrants on the student temporary visa stream make the greatest economic contribution, whilst temporary skilled visa holders were also predicted to make significant contributions. The same analysis emphasised that migrants, and skilled migrants in particular, make a greater contribution to the economy in some regions when compared to some existing residents.

Although these analyses and reports were conducted prior to the pandemic, their points remain relevant and it has been widely acknowledged that targeted and purposeful migration will be essential to post-COVID recovery in Australia and globally.

Recommendation 3: Consider international graduates as ideal candidates for skilled migration and provide clear and robust migration pathways.

Expediting the granting of the temporary graduate visa

Under the current visa assessment conditions, international students are required to apply for a temporary graduate visa (subclass 485), with wait times sometimes extending to more than 10 months. During this period of uncertainty, many students withdraw their application and either return to their home country or move to another country where a rapid outcome for a graduate visa application appear more likely.

Given the considerable number of checks students go through to get their initial student visa and the need to satisfy a range of requirements to maintain a student visa, the temporary graduate visa should be granted automatically for students upon successful completion of their course of study.

As mentioned above, international students make significant contributions to their communities, and this is particularly the case for those who study in regional Australia. Therefore, when considering any changes to post study work rights in the future, retaining a differential factor in the post study work rights for students who study at an Australia institution in a regional area would be favourable and would continue to support these critical flows of students to the regions.

Recommendation 4: Upon completion of their course of study, automatically grant the temporary graduate visa to all international students who meet the course requirements for graduation and the relevant character conditions as assessed by the Department of Home Affairs throughout their course of study.

Assisting graduates and employers to navigate the migration system

While Australia’s migration system has served the university sector well, the proliferation of visa subtypes and skilled occupation lists, along with the difference in state-sponsored approaches to migration, makes navigating the migration system an onerous and costly process. Users of the system require access to expert advice on a raft of migration issues, ranging from the relevant visa type through to detailed reporting on skills shortages.

Jobs and Skills Australia is well placed to provide expert general advice to stakeholders on a range of migration-related issues, including on the suitability of visa types to fill certain occupations and differences in state-based skilled occupation lists.

Recommendation 5: Create a function within Jobs and Skills Australia to advise employers and industry groups on how to navigate the migration system.

Genuine Temporary Entrant requirement

International students who graduate from an Australian university are eligible to apply for a post-study work visa to continue their stay in Australia. With their Australian university qualification, and having already participated in Australian society, international graduates are ideal candidates for skilled migration. However, only 28 per cent of international graduates use their post-study work rights and only 16 per cent of total international students stay on to become permanent residents. This is unsurprising, given that the genuine temporary entrant (GTE) requirement – a condition of the student visa – requires potential students to prove, in writing, that they intend to return home after completing their course.

While temporary visa holders should not have an automatic right to permanent residence, they should have the right to hold that ambition, and potential students should not be penalised for articulating such ambitions in their visa applications. The Department of Home Affairs points out on their website that “the genuine temporary entrant (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.” However, there is substantial evidence that suggests the GTE has the perverse effect of causing potential students to feel that they are at risk of penalty if they make their aspirations for permanent migration clear, even if that is not the GTE’s intent.

We argue that the assessment of a student’s ability to study in Australia should be based on their academic record with a streamlined statement of purpose which articulates why the student can undertake the course of study.

Recommendation 6: Replace the genuine temporary entrant visa requirement with a genuine student visa requirement, to ensure the student visa is not used by non-genuine students to enter the country, but without requiring a discussion of the applicant’s plans upon graduation.

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CONTRIBUTING TO OUR REGION

The story of international education in Australia is not restricted to the most recent few decades. The internationalisation of the Australian education industry started in 1923 with the arrival of the first international student at the University of Sydney. Following this modest start, Australia experienced a steady flow of students from a range of countries, particularly from the Asia Pacific region throughout the 1950s and 1960s.

This influx of overseas students coincided with the launch of the Colombo Plan in 1951. The plan was designed to strengthen and promote partnerships within Asia and the Pacific, contribute to regional stability as well as contribute towards social and economic development in the area.

Subsequent government inquiries further ratified objectives to be adopted by the Australian Government that cemented Australia’s position as a leading destination for international students. This included adopting policies that would:

- contribute to the social and economic development of people and institutions in developing countries, especially those in the Asia and Pacific region, by granting them access to Australia’s education and training resources.
- increase cultural exchange and to improve the quality of Australia’s educational and training resources.
- serve Australia’s interests by improving communication and understanding of Australia.

Educational aid was seen as a reliable and effective way to build ties with countries within the region. The Colombo Plan was widely viewed as a means to ‘generate goodwill and prestige for Australia’, as returning students had ‘something of a snowball effect’ as they took up positions of influence.

Looking to our region and embracing a return to these original driving factors behind the internationalisation of Australia’s education sector would provide a solid underpinning to Australia’s current and future strategic and foreign policy objectives. There’s no doubt that the international education sector has made a substantial contribution to Australia’s economy during recent decades, but it is perhaps timely to now reframe the narrative to bring focus once again on the broad social benefit that education brings, not just to individual students, but their communities and nations.

Recommendation 7: Recognise the soft power origins of international education and develop existing and new programs with a view to contributing to the Indo-Pacific region.