

# Employment White Paper

Navitas submission  
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**Submitted on behalf of Navitas by:**

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## Executive Summary

### **Navitas is a leading Australian provider across higher education, training and employment services and has a unique position in the Australian employment landscape**

Navitas is an Australian company founded in Perth in 1992 to support students to transition to a higher education learning environment. In 2022, Navitas continues to be headquartered in Perth, but is a global company delivering domestic higher education, international education, and government services programs in many countries. In Australia, Navitas contributes uniquely across the employment lifecycle – with businesses delivering employability and foundation skills training to job seekers and migrants and refugees, working directly in partnership with universities to support domestic and international students transition to university study, expert degree-level delivery in care economy, business, information technology and creative industries, delivery of specialised work-integrated learning for international and domestic students and delivering professional development programs – including in both teacher education and women’s leadership. In this way Navitas is unique in Australia and we share our insights and recommendations based on this diverse experience and expertise.

### **The Employment White Paper seeks to support a highly trained workforce and increase labour market participation**

The Employment White paper provides an opportunity for the government to understand what is currently working and not working in the Australian labour market and economy. It will outline the steps forward that Australia needs to take to build a bigger, better trained and more productive workforce. This builds on the important work of the Jobs and Skills Summit in September this year.

Navitas strongly supports these objectives. Full employment and productivity growth is critical to support inclusive growth and ensuring that all those within society both contribute to it and benefit from it. Women’s economic participation and equality are core to both increasing labour market productivity, but more importantly, to a just, fair and well-functioning society.

### **Targeted changes across job seeker training, higher education and migration will support higher participation rates and a skilled workforce to address skills shortage areas**

Navitas makes nine recommendations to the White Paper to support government’s objectives for this process. Firstly, Navitas makes three recommendations focused on building a **sustainable care economy (TOR 2.5)**, ensuring that there are no barriers to students choosing to study and qualify in key occupations in this areas – including nursing, midwifery, psychology, and counselling (see Recommendations 1 – 3). Secondly, Navitas puts forward that changes are required to micro credential recognition and access to HELP support in the context of both **emerging industries and areas of traditional strength (TOR 2.6)** to support individuals to both **upskill and reskill (TOR 6.3)** (see Recommendations 4 and 8). Insights from our work with Women in Leadership Australia (WLA) are also presented, including requirements around flexible work practices, including to support family commitments. Through our experience with Navitas Skilled Futures, Navitas also puts forward a series of proposals aimed at **reducing barriers to work (TOR 6.1)** and **improving labour market outcomes for those that face challenges to employment (TOR 6.2)** – in particular the long-term unemployed and migrants and refugees. Improvements to existing training programs for these cohorts and further leadership on foundation skills would support positive labour market outcomes for these cohorts (see Recommendations 5 – 7). Finally, Navitas fully supports that **migration is a complement to the domestic workforce (TOR 6.4)** and puts forward that changes to both the student visa and migration program that would support additional numbers of international students studying in in areas of skills shortage and staying in Australia following their studies (Recommendations 2 and 9).

Navitas recommendations for the Employment White Paper are presented in full overleaf.

Figure 1 | Summary of recommendations made by Navitas

TOR	Navitas recommendation	Relevant legislation or instrument	
<p><b>TOR 2</b> The future of work and labour market implications of structural changes</p>	<p><b>TOR 2.5</b> Building a sustainable care economy</p>	<p><b>Recommendation 1a.</b> Amend the <i>Higher Education Support Act 2003</i> to reconcile funding clusters across all Behavioral Science and Human Welfare Studies and Services programs including for units that are not direct pathways to professional registration acknowledging the public benefit of study in these specialist areas for upskilling and reskilling.</p>	<p>Higher Education Support Act 2003</p>
		<p><b>1b.</b> Extend provision of Commonwealth Supported Places in mental health related areas to high quality independent providers through targeted CSP allocations, adopting the pilot approach used in response to the COVID pandemic.</p>	
		<p><b>Recommendation 2.</b> Amend the <i>Migration Amendment (Temporary Graduate Visas) Regulations 2020</i> to provide an additional two-years post-study work rights for students that study in Psychology and other areas of skills shortage to support increased study in this area.</p>	<p>Migration Amendment (Temporary Graduate Visas) Regulations 2020</p>
		<p><b>Recommendation 3.</b> Amend the <i>Higher Education Support Act 2003</i> to ensure all higher education nursing students (irrespective of provider type) are able to access CSP funding and are not required to pay the FEE HELP loan fee, to support increased supply and talent pipeline of trained professional nurses.</p>	<p>Higher Education Support Act 2003</p>
<p><b>TOR 5</b> Labour force participation, labour supply and improving employment opportunities</p>	<p><b>TOR 2.6</b> Adaptability of workforce to meet needs of emerging industries and areas of traditional strength</p>	<p><b>Recommendation 4a.</b> Amend the Australian Qualifications Framework Instrument to integrate accredited micro credentials into the framework and define the relationship to other AQF program levels to support greater community and industry recognition of micro credentials.</p>	<p>Australian Qualification Framework Instrument</p>
		<p><b>4b.</b> Specify that micro credential programs delivered by all eligible FEE HELP providers are able to access FEE HELP through changes to the FEE HELP Guidelines to stimulate consumer uptake of micro credentials.</p>	<p>FEE HELP Guidelines</p>
		<p><b>4c.</b> Exempt HELP support for micro credentials from Student Learner Entitlements and FEE-HELP limits for degree qualified students to support re-skilling, up-skilling and return to work.</p>	<p>Higher Education Support Act 2003</p>
<p><b>TOR 5.1</b> Reducing barriers and disincentives to work</p>	<p><b>TOR 5.1</b> Reducing barriers and disincentives to work</p>	<p><b>Recommendation 5.</b> Extend the TOR for the Select Committee into Workforce Australia Employment Services to explicitly consider mutual obligations and the role of training and training providers in supporting secure, long-term employment outcomes.</p>	<p>n/a</p>
	<p><b>TOR 5.2</b> Improving labour market outcomes to those that face challenges in employment</p>	<p><b>Recommendation 6.</b> Introduce increased flexibility into the Adult Migrant English Program (including in work experience and delivery of VET modules) to support better employment outcomes for migrants and refugee participants.</p>	<p>AMEP program guidelines</p>
	<p><b>TOR 5.3</b> Skills, education and training, upskilling and reskilling, including in transitioning sectors and economies</p>	<p><b>Recommendation 7.</b> Clarify roles and responsibilities for Foundation Skills across all levels of government and develop a coordinated and aligned approach to program delivery and funding to support increased productivity.</p>	<p>n/a</p>
	<p><b>TOR 5.4</b> Migration settings as a complement to the domestic workforce</p>	<p><b>Recommendation 8a.</b> Provide additional support for re-skilling to workers transitioning between jobs by providing access to FEE HELP for single units of study.</p> <p><b>8b.</b> Partner with the higher education sector to develop programs aimed at supporting transitioning workers – including in relation to mental health, workforce adaptability and role specific skill sets.</p>	<p>FEE HELP Guidelines</p>
<p><b>TOR 5.4</b> Migration settings as a complement to the domestic workforce</p>		<p><b>Recommendation 9a.</b> Make amendments to the Direction Number 69 of Migration Act 1958 (and amend Migration Regulations 1994 as required) to ensure the Genuine Temporary Entrant Criterion is fit for purpose given the current value of international students staying and working in Australia after they graduate due to workforce and skills requirements of the Australian economy.</p>	<p>Direction Number 69 of Migration Act 1958</p>
		<p><b>9b.</b> Amend the migration points-based system in to increase the points an applicant receives for a) the Australian Study Requirement and b) completing the Professional Year Program.</p>	<p>Migration Regulations 1994</p>

# 1. Introduction

## Submission to the Employment White Paper

Navitas welcomes the opportunity to contribute to The Australian Government's Employment White Paper. The following submission outlines feedback from Navitas against the Terms of Reference outlined for the White Paper process. This response reflects Navitas' key role in supporting positive employment and economic outcomes through delivery of programs across the employment, higher education and training sectors.

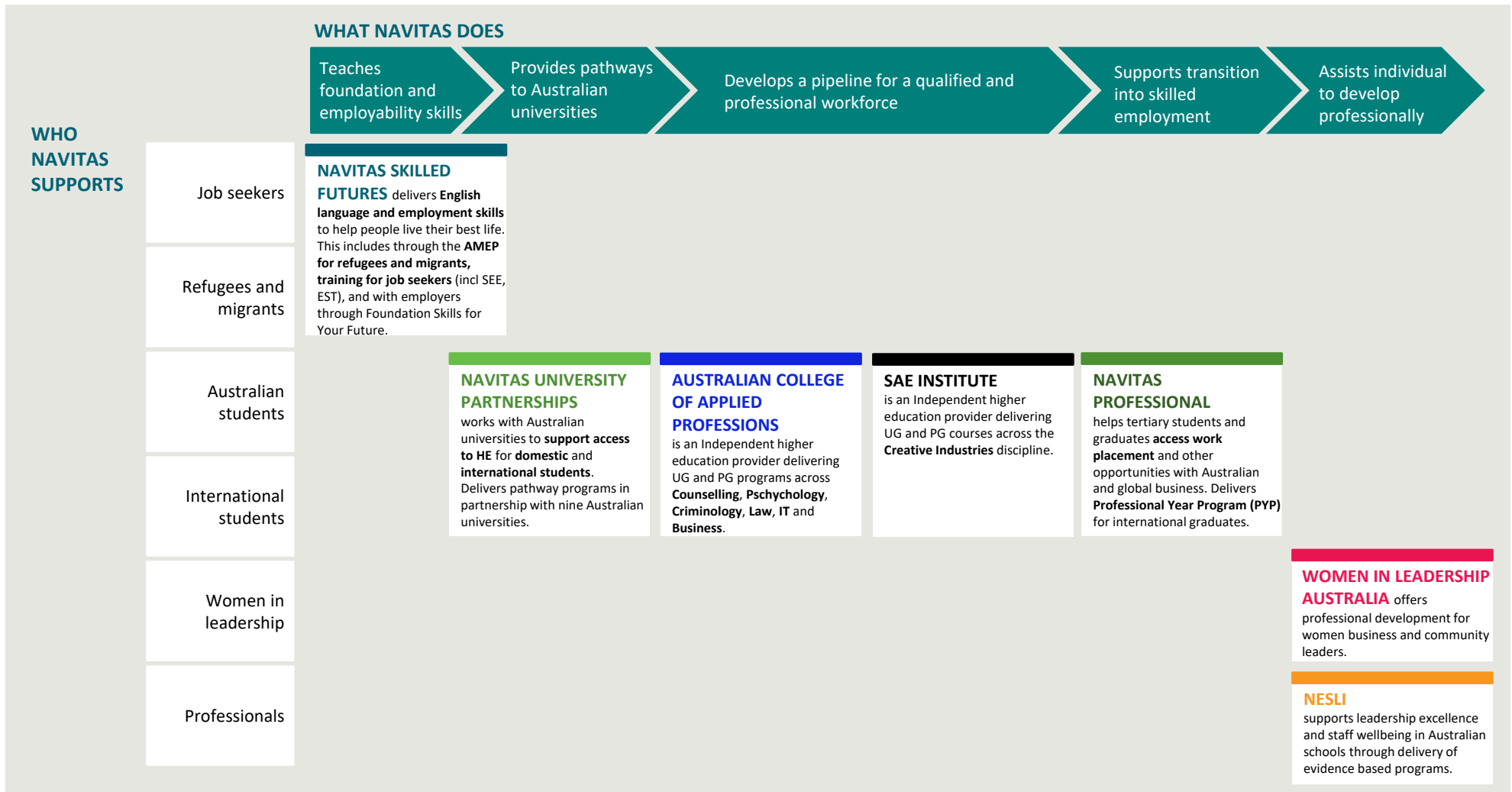
### **Navitas is a leading Australian provider across higher education, training and employment services**

Navitas is an Australian company founded in Perth in 1992 to support students to transition to a higher education learning environment. In 2022, Navitas continues to be headquartered in Perth, but is a global company delivering domestic higher education, international education, and government services programs in many countries.

In Australia, Navitas contributes uniquely across the employment lifecycle. Navitas' University Pathways division support both international and domestic students to transition to university level study through 13 different pathway colleges. Our Independent Higher Education providers, Australian College of Applied Professions and SAE Institute, prepare students for employment through undergraduate and postgraduate programs in the care economy, business, information technology and creative industries disciplines. We work directly with students to provide them with employability skills and work-integrated learning experiences through Navitas Professional – including through delivery of the Professional Year Program. Navitas, through Navitas Skilled Futures (NSF), also support job seekers, refugees, and migrants to gain core skills and achieve employment outcomes. Finally, we support professional development through Women in Leadership Australia (WLA) and the National Excellence in Schools Leadership Initiative (NESLI), which are both part of the Australian School of Applied Management (ASAM). In this way we have a unique position in the Australian employment system.

This is summarised in Figure 2 overleaf.

Figure 2 | Navitas' role across education, training and employment



## Navitas supports the objectives of this White Paper to build a bigger, better trained and more productive workforce

Navitas understand the key objective of the White Paper is to provide a road map for Australia to build a bigger, better trained and more productive workforce for Australia. The two key focuses of the White Paper are:

1. full employment and productivity growth
2. women's economic participation and equality.

Navitas strongly supports these objectives. Full employment and productivity growth is critical to support inclusive growth and ensuring that all those within society both contribute to it and benefit from it. Women's economic participation and equality are core to both increasing labour market productivity, but more importantly to a just, fair and well-functioning society.

## This submission outlines our response to key Terms of Reference for the White Paper

Navitas has provided responses to three of the Terms of Reference (TOR). The remainder of the section of this submission is structured against the following three TORs:

- **TOR 2. The future of work and labour market implications of structural change.** Based on Navitas' role as a leading global higher education and training provider, we recommend changes to incentive study and supply of programs in key areas of the care economy – including non-medical mental health occupations and nursing and midwifery and changes to access to FEE-HELP for micro credentials to support higher uptake of short programs to support re-training.
- **TOR 4. Pay equity, including the gender pay gap, equal opportunities for women and the benefits of a more inclusive workforce.** Drawing on the leading work of Women in Leadership Australia (WLA), we share insights on critical reforms women leaders informs us are the most important and the role government can play.
- **TOR 5. Labour force participation, labour supply and improving employment opportunities.** We outline opportunities across employment services, foundation skills, higher education and migration to increase workforce participation, ensure workers have appropriate skill sets and the importance of migration, including international students, in complementing Australia's labour force.

This submission does not respond to TOR 1, 3 or 6.

## 2. The Future of work and labour market implications of structural change

This section provides Navitas' response to TOR 2.

### Summary of the position on 'building a sustainable care economy'

#### *Mental health and welfare services*

- Mental health is a critical area where skill shortages are expected over the next ten years – with an additional 28,000 bachelor qualified graduates required in the next five years in non-medical mental health related roles
- There are current barriers to the supply of graduates in these areas – including for both Australian domestic students and international students. Changes to funding cluster levels for mental health related programs and targeted funding at the undergraduate certificate level would support access for domestic students. Extension of post-study work rights for psychology graduates would increase skilled talent in this profession.

#### *Nursing and midwifery*

- Nursing and Midwifery are critical areas of skills shortage and are expected to see the largest occupational growth of all Skills Level 1 professions – an additional 50,000 jobs by 2026.
- There are current barriers to the supply of nursing programs which limits access for some prospective students.
- Given the significant skills shortage in this area, there would be significant benefits in providing access to government contributions (through CSPs) to all quality providers that deliver nursing higher education programs.

### Summary of the position on 'adaptable workforce and emerging industries and areas of traditional strength'

- There will be an increasing need for short course of study to support inclusive growth and enable workers to transition into new occupations, sectors and industries.
- Integration of micro credentials and access to FEE-HELP are both necessary to ensure consumers and community understand micro credentials and employers and industry recognise micro credentials.
- Accredited, industry recognised micro credentials provide opportunities for women returning to work and long-term unemployed cohorts to be rapidly skilling for work while forming a basis for ongoing education and career development.

### 2.5 The adaptability of our workforce to meet the needs of emerging industries and areas of traditional strength

#### The nature of the labour market and work is changing – change in the type and number of roles people will do

There will be significant changes in the Australia workforce and labour market over the next ten years. This will be driven by technological changes, changes in the nature of work and opportunities that exist for Australia society and individuals. In particular, three key trends will define changes in the labour market:

- **Increasingly young people will have multiple different careers**, with research from the Foundation of Young Australians (FYA) indicating that young people today will have as many as five different careers. Individuals will no longer stay in one career for life and mobility across sectors and industries will be higher<sup>1</sup>
- **Transition between different roles will be higher than in the past**, FYA's research also indicates that young workers will on average make 17 changes in employment over their working lives.

<sup>1</sup> Foundation for Young Australians (2016) 'The New Work Mindset: 7 new job clusters to help young people navigate the new world order'



- **Automation will mean that many old jobs will no longer exist**, with research by McKinsey estimating that between 25 and 46 per cent of current work activities could be automated in Australia, resulting in between 1.8-5 million people needing to switch occupation categories by 2030 as a result of automation.<sup>2</sup>

### **Skills gaps are creating pressures in the Australian economy during a period of near full unemployment**

In addition to these broader macro labour market changes, following the impacts of the COVID-19 pandemic and associated border closures, Australia is seeing skills shortages in a wide number of key occupations. The number of occupations in shortage increased from 153 to 286 over twelve months, with many in high skilled areas.<sup>3</sup> This comes as the Australian economy is seeing a period of near full employment, with the unemployment rate the lowest it has been in April 1992.<sup>4</sup> Addressing these areas of skill shortage and where possible, increasing workforce participation is therefore a priority.

### **Education and training is critical to ensure skill gaps are workers effectively transition**

Given the current labour market environment and expected future changes, education and training is more important than ever. There are three key aspects to this:

- **New jobs will require higher levels of skills**, with the National Skills Commission estimated that almost half of all new roles by 2026 will be in Skill Level 1, which requires at least Bachelor level study. Tertiary study is therefore critical to support an appropriately skilled and trained workforce.
- **Lifelong learning will become more important as workers transition between occupations and industries**, with workers moving between different jobs and industries learning across a person's entire career becomes critical – including through targeted skills training and short courses,
- **Targeted upskilling will be critical as industries evolve, change and emerge**, with an increasing need for workers to keep up with new skills and technology given the rapid shift of development and progress in existing and emerging industries, and the need to re-skill as the economy transitions away from other declining industries.

Below we outline Navitas' specific feedback and input against each sub-item for TOR 2, with specific input on the care economy, energy transition and requirements to support workforce needs in both emerging and traditional areas of the economy.

## **2.1 Building a sustainable care economy in the context of an ageing population and other drivers of demand for care services**

In this section we provide input in relation to two important and growing areas of the 'care economy' – mental health services and nursing and midwifery. Each is discussed in turn.

### **Mental health care and services**

#### **Mental health is a critical areas where workforce shortages are expected over the next ten years**

Mental health is a key area with a growing demand for professional services. The *National Health Survey 2017-18* estimated that around one-in-five Australians have a mental health or behavioural condition, with this increasing over time. These impacts have exacerbated in recent times due to the impacts of COVID-19 and the social isolation arising from lockdowns across Australia.

The former National Skills Commission (NSC) forecast that there will be a significant increase in the number of people employed in both medical and non-medical roles related to mental health support and services.

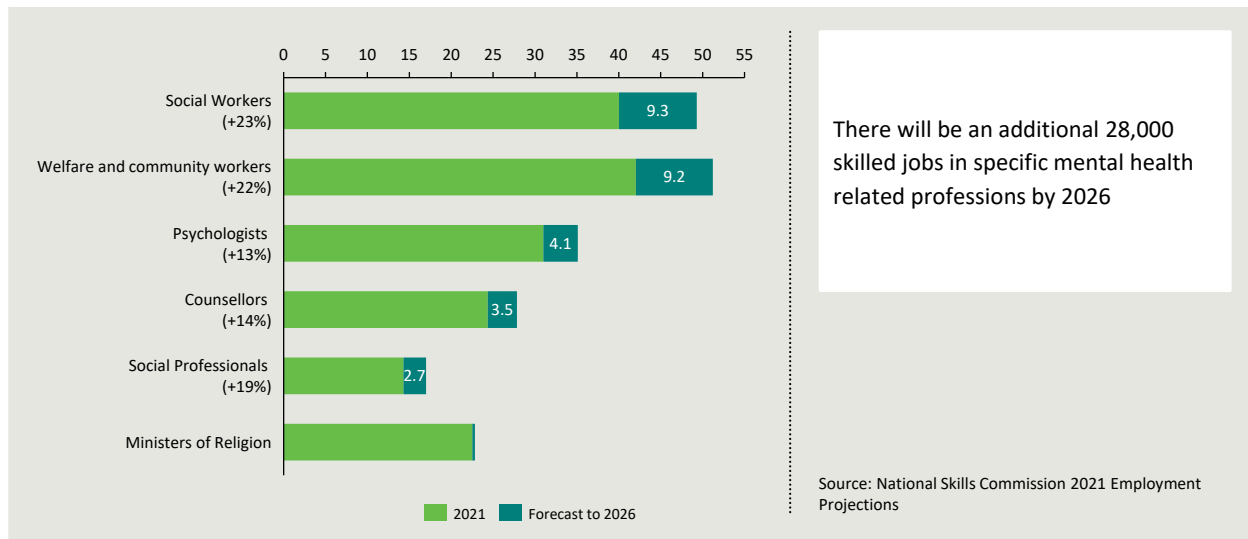
<sup>2</sup> McKinsey (2019) 'Australia's automation opportunity: Reigniting productivity and inclusive income growth'

<sup>3</sup> 2022 Skills Priority List Key Findings Report | National Skills Commission

<sup>4</sup> Unemployment rate falls to 3.4% | Australian Bureau of Statistics (abs.gov.au)

Employment in the occupations of social work and welfare and community work are both expected to grow more than 20%, while psychology and counselling are expected to grow 13% and 14% respectively. This represents an additional 28,000 people working in non-medical mental health roles that will require a bachelor’s degree or above – as shown in Figure 3. This is in addition to significant growth in lower skill level roles.

**Figure 3 | Job forecasts for relevant non-medical mental health occupations, Dec 2021 to Dec 2026 (‘000s)<sup>5</sup>**



Psychology is also identified as an areas of skill shortage across all states and territories on the National Skills List 2022.

**Navitas, through the Australian College of Applied Professions, is a leading provider of psychology and counselling programs in Australia**

The Australian College of Applied Professions (ACAP) is the largest independent provider of programs across welfare services. ACAP delivers programs across Australia in discipline areas including Counselling, Psychology and Social Work which are delivered at both undergraduate and postgraduate level. These programs lead to professional practice in these areas. Counselling is an area of particular strength for ACAP, with 2,000 of ACAP’s 5,500 students studying in this area – representing over a third of the overall higher education market.

ACAP’s cohort also differs from the broader market. ACAP students are typically older and are not school leavers. These students are returning to study or are seeking further professional development to transition to a new career. Programs are industry aligned (through connection with peak bodies and professional accrediting bodies), designed to support students and delivery from expert educators who are also current practitioners. This cohort provides a significant opportunity to both increase workforce participation and also support re-skilling in areas of skills shortage that are aligned with existing experience and skills. In line with the sector in these discipline areas, the majority of students studying are domestic students.

**There are current barriers to the supply of graduates in these mental health related occupation areas – both for domestic and international graduates**

Navitas proposes a series of targeted changes in order to increase the supply of skilled graduates that can support delivery of mental health programs. For domestic students, this includes five key considerations:

<sup>5</sup> As per the National Skills Commission, there are challenges in identifying the mental health workforce as it is included across multiple roles and industries. The included occupations are therefore only indicative.

- **Re-alignment of funding rates for courses leading to professional accreditation and other mental health related studies.** Currently there are differential funding Commonwealth Grant Scheme (CGS) levels for programs that are professional pathways and broader study in Behavioural Science and Human services programs.<sup>6</sup> This has a distorting impact on demand for study in these areas. More specifically, these differential funding arrangements also do not acknowledge that there are broader professional benefits from study in other related areas – including case management (including in relation to disability and aged care) and allied health roles (both administrative and general support roles).
- **Selectively providing Commonwealth Supported Places (CSPs) for mental health related study at Undergraduate Certificate level.** Given the need for the development of skill sets related to mental health, there would be significant benefits in the government investing in UG short courses with high quality providers in the disciplines of counselling, social work, and mental health. Each of these lead to strong professional outcomes for graduates, while in themselves not being a pathway to professional practice. The approach adopted to short course funding during the COVID-19 pandemic provides a model for this. The pilot approach during COVID demonstrated that there was capability across the sector (not only in public universities), focused on skills shortage areas, with quality assessments built into the approvals process.
- **Providing access FEE-HELP funding for single units of study,** as discussed further in Section 5.3.
- **Making placements more accessible and less strenuous for students.** There are emerging requirements by professional bodies for students in these disciplines to undertake a placement as part of their studies in order to professionally register. Currently, placement requirements operate in an unregulated environment creating a barriers for students for two reasons. Firstly, placement sites often demand a high fees which can significantly increase course costs. Secondly, extended duration of placements (often more than 3 months and many hours a week) are unpaid, making it challenging for students who need to work to support themselves.
- **Increasing professionalisation of Counselling through professional registration requirements.** Introducing a professional registration requirement for counselling, as is required for psychologists, would increase the professionalism of the field – thereby reducing requirements on other mental health professions – including Psychology. This would also provide a clearer pathway for students and increase demand for study in this discipline area.

#### Recommendation 1

- Amend the *Higher Education Support Act 2003* to reconcile funding clusters across all Behavioural Science and Human Welfare Studies and Services programs including for units that are not direct pathways to professional registration acknowledging the public benefit of study in these specialist areas for upskilling and reskilling.
- Extend provision of Commonwealth Supported Places (CSP) in mental health related areas to high quality independent providers through targeted CSP allocations, building on the successful pilot of this approach in response to the COVID-19 pandemic.

There are also opportunities to **support more international students choosing to study Psychology**, graduating and moving into practicing in this area. Achieving professional registration in Psychology typically requires more than five years of study, making study in this discipline area less attractive to international students. Therefore, less than 1% of all international students currently study Behavioural Science (including Psychology) programs and only 6% of students in this discipline area are international students.<sup>7</sup> There are strong opportunities to increase the attractiveness of study in this area through increasing the duration of post-study work rights for students that choose to study in this discipline. This will have the dual effect of advancing the students' career development and contributing to Australia's labour market demands in this field. Given Psychology is a key area of skills shortage this should be included in current reviews of disciplines where an extension of work rights will

<sup>6</sup> Professional Pathway Psychology and Professional Pathway Social Work (including units that lead to social work, youth work, counselling and community work are Funding Cluster 2. All other units in these fields of education are in Study Cluster 1.

<sup>7</sup> This compares to 55% of students in Management and Commerce and 68% in Information Technology.

benefit the labour market. any extension. Other non-medical areas of the “care economy” are not currently on the list but should be closely monitored as the ongoing effects of COVID-19 continue to impact Australian society and the economy.

**Recommendation 2**

- Amend the *Migration Amendment (Temporary Graduate Visas) Regulations 2020* to provide an additional two years post-study work rights for students that study in Psychology and other key areas of skills shortage in the care economy.

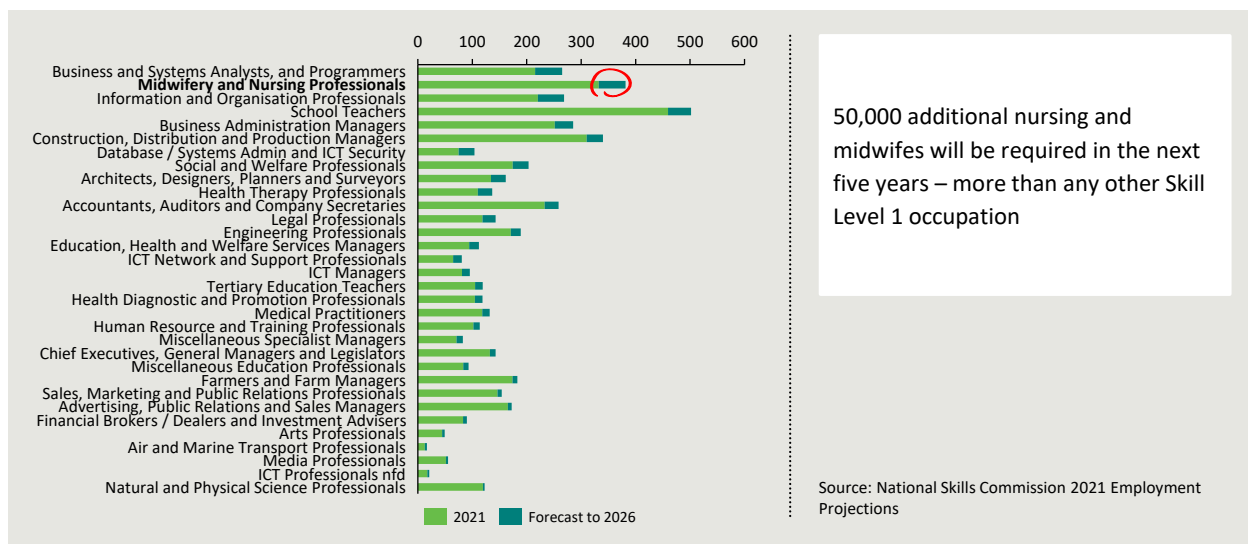
**Nursing and midwifery**

**Nursing and midwifery are key areas where there is a need for more skilled workers over the next ten years**

Nursing and Midwifery are two key areas where there is strong demand for workers and currently identified shortages of skilled labour to fill these roles. The National Skills Commission identifies that there will be an additional 50,000 jobs for Nursing and Midwifery Professionals in December 2026 compared to five years earlier – as shown in Figure 4. This is as high as any other occupation group that requires study to a bachelor’s degree level.

In addition to strong future demand for nurses and midwives, there are also immediate shortages in supply for these roles. In 2022 all registered nurse occupations were identified as ‘in shortage’ in the Skills Priority List (SPL).<sup>8</sup> None of these roles were identified as in shortage for 2021.

**Figure 4 | Job forecasts for Skill Level 1 Occupation groups, by largest increase, Dec 2021 to Dec 2026 (‘000s)**



In addition to the Level 1 Skill Level nursing and midwifery occupations, there are also strong demand in the related aged care and disability sectors – with an additional 75,000 workers required by 2026. While only 8% of occupations were in shortage in 2021, 20% occupations were in shortage in 2022 – the largest increase of all occupation areas.

<sup>8</sup> Note this is based on 6-digit ANZCO level occupations.

## **It is therefore critical that supply in the form of education and training is fully optimised across the public and independent systems**

In 2019, there were over 70,000 students studying in nursing and midwifery programs.<sup>9</sup> Only a small proportion of these students received their education through an independent higher education provider. While 8% of all domestic student EFTSL studies in the independent sector, only 4.6% of nursing and midwifery students enrol with an independent provider.

There are a number of barriers to independent providers supplying nursing programs for students. This includes an inability to compete with universities based on high level of subsidisation through CSP places, no access to government funding and the FEE-HELP loan fee applying to independent higher education providers. Navitas' analysis indicates that the FEE-HELP loan fee alone can result in over \$30,000 of additional repayments over the course of the loan and an additional 3 years in repayments. This is in addition to the additional cost as the place is not subsidised by the Australian Government. This additional cost, given comparably lower income later in their career means very few prospective students will choose to study with an independent provider. Nursing students are also typically from lower SES backgrounds than other university students (14% low SES compared to 20% across all programs). This additional cost therefore does provide a barrier.

Navitas itself no longer provides delivery of nursing programs – with a summary of the key reasons why presented in Box 1 below. This provides an illustrative example of policy settings not enabling the delivery of a quality product, which results in a high-quality provider no longer delivering programs in an identified area of skills shortage.

### **Box 1 | Navitas' experience in delivering Nursing programs**

#### **Case study | Navitas' experience delivering nursing training**

- Navitas has not delivered nursing programs for four years. This is due to difficulty in delivering a high-quality product with the absence of quality framework and appropriate funding and investment.
- Nursing programs were delivered by Navitas through Health Skills Australia (HSA) from 2005.
- In its final year of operation, 2018, HSA was one of the largest providers of diploma level nursing qualifications in Victoria. HAS delivered the VET Diploma of Nursing to over 520 students across Melbourne and Victoria.
- HAS experienced a significant decline in enrolments following state government VET reforms which saw a \$15,000 cap imposed on loans accessed by eligible nursing students. This was compounded in 2017 by the state government's decision to withdraw state government subsidies for HAS nursing students, and the subsequent announcement of 'fee free' TAFE courses for Victorian students.
- As a result, Navitas decided to support students to transition to other providers and cease delivery of nursing programs nationally.

Navitas understands and respects the decisions of the government to support public sector delivery of health education, particularly given the level of skill shortage and community demand for professional health care. Current policy settings however have failed to harness the capacity of the private sector to deliver quality health training to complement public sector capability. There are therefore limits in supply of nursing programs with very few independent providers currently delivering in this area.

<sup>9</sup> Based on Equivalent Full Time Study Load (EFTSL)

## **There are opportunities to change policy settings to ensure sufficient nursing places are available across both the public and independent sector and remove participation barriers**

Given the identified level of skills shortage across the nursing and midwifery professions, there is significant value in optimising supply across the higher education system. This should ensure that all higher education providers (both public and independent) that wish to deliver nursing programs are able to enter the market and do so competitively. This will ensure that there are no barriers for nursing students to study with the provider that is most appropriate for them – including based on geography, pedagogy, and convenience with other commitments.

To support this, Navitas would propose:

- **Providing access to CSP funding for all students studying nursing irrespective their enrolment with a public university or independent higher education provider.** This would require changes to the *Higher Education Support Act 2003* to ensure students studying in the Nursing field of education are able to access CSP funding, including students that study in programs at independent providers.<sup>10</sup>
- **The FEE-HELP loan fee be removed,** to ensure students are not required to pay an additional 20 per cent surcharge on their FEE-HELP loans through choosing an independent higher education institution.

### **Recommendation 3**

- Amend the *Higher Education Support Act 2003* to ensure all nursing students (irrespective of provider type) are able to access CSP funding and that the FEE-HELP loan fee is abolished, to support increased supply and talent pipeline of trained professional nurses.

## **2.6 The adaptability of our workforce to meet the needs of emerging industries and areas of traditional strength**

### **There will be an increasing need of short programs of study aligned to developments in both emerging industries and areas of traditional strength**

Navitas believes there are strong opportunities in micro credentials, and these will play an increasingly important role in education and training. Most importantly, micro credentials serve three functions:

- **They allow workers to upskill and support lifelong learning,** providing an opportunity to undertake education in bite size chunks and gain specific, targeted skillsets. At the same time, they do not require workers to take too long off the job to be disruptive to employers and workers.
- **They can support industries specific needs and requirements,** with micro credential courses designed and developed to specifically address the education and training requirements of industry
- **They enable rapid skilling, reskilling and upskilling,** with particular benefit to supporting women returning to the workforce and people experiencing long-term unemployment.

Navitas believes that micro credentials will be particularly important over the next ten years given macro-economic and industry level changes in the labour market. This includes increased requirements for a highly trained and knowledge-based economy, shifts away from traditional and towards new technologies and the reskilling and upskilling requirements that come from this. Analysis by McKinsey has identified that between 1.8-5 million people in Australia may need to switch occupation categories by 2030 as a result of automation.

Given this, micro credentials will play a critical role in supporting inclusive growth that is 'win-win' for both the economy and workers. Ensuring the workforce is agile and skills can be quickly gained to support transitions in occupations, sectors and industries. Micro-credentials can support employment and participation in the future economy through:

<sup>10</sup> Navitas also notes that the introduction of the Tuition Protection Scheme provides a further safeguard, which ensures that protections are in place if independent providers were to access CSP to deliver programs.

- **Supporting workers to upskill within existing industries as they modernise and change**, with workers able to access specific micro-credentials to upskill within their existing industry, such as through gaining skills in new technologies or more contemporary approaches.
- **Supporting workers to move into new emerging industries where there are skilled workforce shortages**, allowing workers to gain targeted skillsets to allow them to realise opportunities in emerging new industries.
- **Supporting workers that are transitioning from traditional declining industries into new roles**, with micro credentials supporting employees to re-train into other areas where there are greater opportunities, whilst acknowledging and building upon their existing experience and capabilities. This includes instances of mass redundancy or as a result of closures – such as may occur longer term in the mining and manufacturing industries – due to automation or other factors.

Micro credentials are therefore a critical part of in supporting a high-performing, sustainable and equitable labour market.

### **Micro-credentials are not currently explicitly aligned with the Australian Qualification Framework (AQF), which creates challenges for consumer uptake and industry / employer recognition**

The importance of micro credentials has been recognised by both this government and former governments. This includes through:

- **The development of a Micro Credentials Framework**, which has provided some consistency in defining the key purpose and definition of micro credentials
- **The imminent establishment of a micro credentials marketplace**, providing a single platform for students to compare short course offerings
- **Leading a micro credentials pilot program**, to support the design and deliver of micro credentials through Australian higher education providers.
- **Making legislative changes to support FEE-HELP access for micro-credential students**, which while currently limited to the pilot program, provides future opportunities for expansion.

There are two main challenges for micro credentials currently – understanding and recognition. Firstly, that students and community are not always aware of micro-credentials and **understand** their purpose and value. Secondly, there is no formal process for the **recognition** of micro credentials which creates challenges for both prospective learners and employers.

The proliferation of non-award short courses reflects the demand for short-term, skills-based qualifications, but without accreditation there is little capacity for students and employers to determine the quality and applied skills development of the course outcomes.

### **Micro-credentials should be integrated into the AQF and students should be able to access FEE-HELP to support their studies**

Navitas proposes three additional reforms to address to challenges identified in relation to understanding and recognition, and to maximise the labour market benefits of accredited short courses. These are:

- **Support clearer integration between accredited micro-credentials and the AQF**. This would ensure there is a clearer understanding of their status in the traditional award level framework and would address challenges associated with recognition. This would also align with the Micro Credentials framework which emphasised the importance of assessment and provide clarity to consumers on the interaction between micro credentials and award level programs, including how micro credentials are able to be 'stacked'.

- **Provide eligibility for HELP support to students studying micro credentials and single units of study at all registered higher education providers.** At present students are only able to access FEE HELP for award level courses of study or if studying single units online with Open University. This means it is not possible for students to participate in face-to-face single units with FEE-HELP eligibility. Extending FEE HELP to micro credentials or units of study delivered by accredited higher education providers will increase access for those that would not otherwise be able to afford to pursue formal upskilling. It is also critical given shifts in the future of work and emphasis on lifelong learning
- **Provide HELP eligibility for micro credentials undertaken by students with an existing degree qualification in addition to the Student Learning Entitlement (SLE) or FEE-HELP limit.** The amount of HELP support a student is eligible to receive through a HELP loan is limited. Navitas proposed that degree qualified students should be able to access HELP support to undertake micro credentials for the purposes of reskilling and upskilling. Policy settings could reasonably limit the number or purpose of micro credentials supported outside the HELP limits. The benefits of this measure include supporting rapid skilling for career change or advancement and mitigation of career limits impacting women who have spent time out of the workforce.

Navitas does not believe it is appropriate for the Australian Government, including through the AQF, to support unaccredited providers in this space.

#### **Recommendation 4**

- Amend the Australian Qualifications Framework Instrument to integrate accredited micro credentials into the framework and define the relationship to other AQF program levels to support greater community and industry recognition of micro credentials
- Specify that students studying micro credential programs delivered by all eligible FEE-HELP providers are able to access FEE-HELP through changes to the FEE-HELP guidelines to stimulate consumer uptake of micro credentials
- Exempt HELP support for micro credentials from Student Learner Entitlements and FEE-HELP limits for degree qualified students through amendment to the *Higher Education Support Act (HESA)*.



## 4. Pay equity, including the gender pay gap, equal opportunities for women and a more inclusive workforce

This section provides Navitas' response to TOR 4.

### Summary of Navitas' position on 'pay equity, equal opportunities and a more inclusive workforce'

- Greater workplace flexibility and increased access to childcare are seen as the most important reforms for women in the workplace to address gender inequality

### Navitas has unique insight on challenges on gender inequality through Women in Leadership Australia

Women in Leadership Australia (WLA) is a national initiative that supports and develops women leaders at every stage of their journey. It is a key part of Navitas. WLA supports women leaders in three ways:

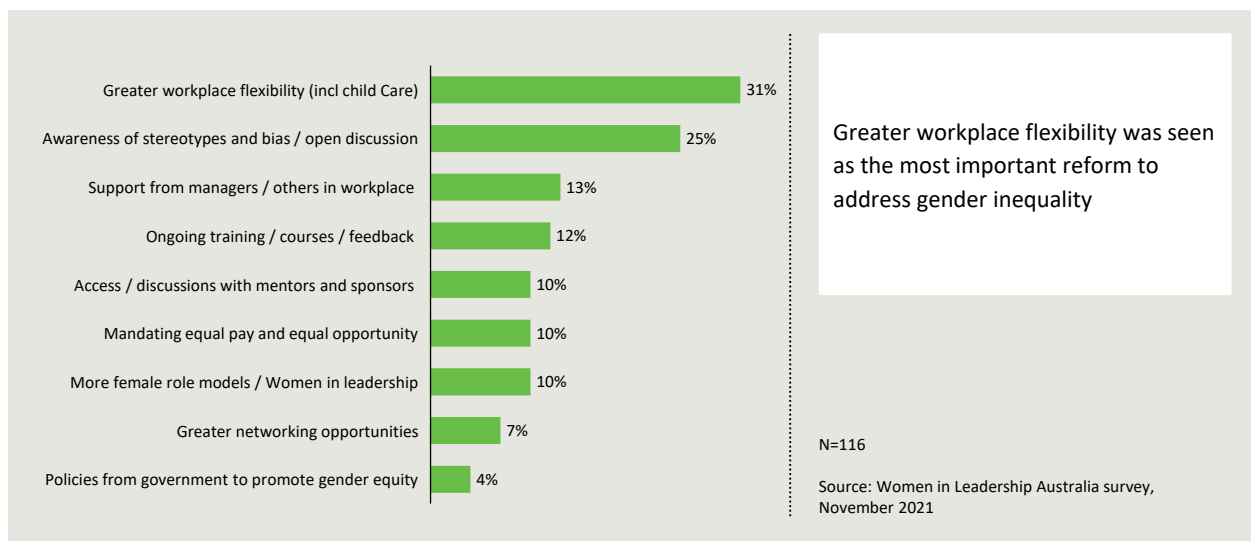
- Through world class leadership programs**, working directly with women across all levels of leadership – from the emerging leaders to executive leaders.
- Through national events**, which facilitates discussion on gender equity in leadership across Australia.
- Through advocacy, research and recognition**, in order to contribute and make a positive difference to gender equity in Australia.

In this way Navitas, through WLA, has a unique perspective on the challenges and opportunities around gender equality.

### Workforce flexibility and increased awareness are the most important reforms to address gender inequality according to women

Recent research undertaken by WLA identified the main reforms women feel are most important to address gender inequality. Greater flexibility in the workforce and increased education and engagement on stereotypes and bias were identified as the most important things – as shown in Figure 5.

Figure 5 | Reforms women want in the workplace, November 2021



The changes that will be introduced as part of the *Secure Jobs, Better Pay Bill 2022*, including the right to request flexible working arrangements, will support this.

## 5. Labour force participation, labour supply and improving employment opportunities

This section provides Navitas' response to TOR 5.

### **Summary of Navitas' position on 'reducing barriers and disincentives to work'**

- Barriers to work include low levels of literacy and numeracy, poor digital skills and no formal post-secondary qualifications.
- There are a range of programs that provide support for job seekers in developing their skills for employment. These are changes to these programs which could result in more effective outcomes for individuals and the labour market.

### **Summary of Navitas' position on 'improving labour market outcomes for those that face challenges'**

- The Adult Migrant English Program (AMEP) is a valuable program for recently arrived migrants and refugees. Specific changes to the program to increase flexibility for providers would result in better skills development and employment outcomes for participants.
- Foundation Skills is a key enabler for those that are long-term unemployed and under-employed. Fragmentation across different levels of government needs to be addressed to ensure a coordinated and aligned approach to program delivery and funding.

### **Summary of Navitas' position on the role of 'skills, education and training'**

- Skills, education and training are important to support workers across a range of different areas of the labour market – study in higher education is especially important with increased shortages in these occupation areas and strong growth in knowledge occupations that will require Bachelor level study.
- There would be benefits in providing specific supports for workers that are transitioning to new roles and new areas of the economy – including through access to FEE-HELP for micro credentials
- Creative industries are a critical part of Australia's societal fabric, and more is needed to support graduates in these areas – including addressing comparably high fee levels.

### **Summary of Navitas' position on 'migration settings as a complement to the domestic workforce'**

- International students are the best migrants and can effectively complement Australia's domestic workforce.
- Specific changes to student visa policy (through the Genuine Temporary Entrant assessment) and changes to the points-based system would provide a clearer pathway for international students to live and contribute long term to the Australian economy.

Navitas is unique within Australia for its range of contributions to labour supply. This includes through the provision of higher education programs targeted to domestic students (in particular across professional areas, including psychology and counselling, and in Creative Industries disciplines), through supporting international students through our pathway and internationalisation partnerships with Australian universities, through work integrated learning (including through the Professional Year Program), through professional development programs aimed at mature professionals, and through government services programs (including the Adult Migrant English Program and training programs for people that are unemployed). This provides us with a unique perspective across the employment lifecycle and has informed our advice and proposals below.

## 5.1 Reducing barriers and disincentives to work, including the role of childcare, social security settings and employment services

### Navitas is a provider of education and training programs for Workforce Australia participants

Key barriers to employment include low educational attainment, low levels of literacy and numeracy, limited digital skills and no post-secondary qualification. Education and training therefore play a key role in supporting positive skills development and labour market outcomes for people that are not in employment. Support in these areas is critical if meaningful support is to be provided to assist people in finding good, secure work.

Navitas, through Navitas Skilled Futures, is a leading provider of training programs for people that are unemployed across many different parts of Australia. This includes the Skills for Education and Employment (SEE) program – which aims to increase participants' language, literacy and digital skills – as well as the Career Transition Assistance (CTA) and Employment Skills Training (EST) program. These programs are important to support people develop the skills they will require in the workforce and reduce barriers to employment they may face.

These programs aim to increase employability skills for different cohorts. The SEE, EST and CTA programs receive referrals from Workforce Australia Employment Service Providers (ESPs), as well as through the Workforce Australia digital service.

### Navitas supports the principles of mutual obligations but acknowledge they have not succeeded in directly addressing long-term unemployment

Mutual obligations are a core component of Australia's welfare system. They acknowledge the role that the government plays in providing support to those that need it, with a corresponding obligation of recipients of that support pursue the training and employment opportunities that are available to them. Navitas supports these principles and believes that their retention is critical to ensure there are not significant disincentives to work.

While Navitas supports the principles of mutual obligation, it also acknowledges that these alone have not been sufficient to address the long-term unemployment that has been experienced by many. Despite a period of very low unemployment, many job seekers remain out of work and are engaged with Workforce Australia as long term unemployed. The long term unemployed often face multiple vocational and non-vocational barriers to employment that cannot be addressed by the principles of mutual obligation alone.

Navitas believes it is critical that it is better understood what works in securing long-term and sustainable employment outcomes and set incentives accordingly. Training for job seekers is fundamental to ensuring that job seekers gain appropriate skills to be successful in the long-term and break the cycle between unsecure work and re-engagement with employment services. A robust evidence base is essential to understand what works most effectively. Incentives, including through the existing **100-point Point Based Activation System**, should be tweaked to reflect this. Programs that are known to work and have a solid evidence base behind them should be further incentivised, those that do not have a strong track record of delivering outcomes should not. Navitas believes that the Terms of Reference for the Select Committee into Workforce Australia Employment Services should be extended to specifically consider this and recommend a definition of mutual obligations that support increased employment opportunity.

### There are further challenges with the implementation of Workforce Australia and changes to specific programs would result in better long-term outcomes for clients

There have been challenges with the implementation of Workforce Australia. This has included:

- **Significant changes in service providers and regions**, resulting in an extended period of establishment for new providers since 1 July 2022
- **Uncertainty with regards to the transition to the Digital Employment Services model**, with challenges in transitioning to this new mode of delivering employment services to clients; and

- **Challenges in referral pathways for existing training providers**, with the above culminating in disruptions to referral pathways for training and skills programs targeted to Workforce Australia participants (in particular in relation to the EST).

In addition to these broader challenges, there are specific changes that should be made to the training and education programs targeted towards people that are unemployed. These changes would support a better functioning system, address key needs of participants and barriers to their engagement with the labour market and result in improved labour market participation.

Navitas acknowledges that program level reforms are outside the scope of the White Paper, and we are advancing changes through relevant departments and the review being undertaken by the Select Committee into Workforce Australia Employment Services. We have included the table below to inform a view of the urgency of review of Workforce Australia programs and our concern that they are not adequately designed to meet the needs of the labour market.

**Table 1 | Proposed changes to existing education and training programs**

Program	Objectives	Delivery model	Recommended changes
<b>Skills for Education and Employment (SEE) program</b>	To improve participants language, literacy, numeracy and digital skills (LLND) to support employment.	Clients are referred to SEE providers through Workforce Australia employment service providers (ESPs).	<ul style="list-style-type: none"> <li>• <b>Expanded eligibility to improve labour market participation</b>, through allowing people not eligible for employment services support to access the program (for example, older women entering or re-entering the workforce).</li> </ul>
<b>Workforce Australia Career Transition Assistance (CTA) program</b>	To build employability skills and successfully gain secure paid employment for mature aged (>45 years) unemployed persons	Delivery of intensive pre-employment training	<ul style="list-style-type: none"> <li>• <b>Increased eligibility of program</b> beyond ESP referrals</li> </ul>
<b>Employability Skills Training (EST) program</b>	To build employability skills and successfully gain secure paid employment	Delivery of intensive pre-employment training to job seekers referred by ESPs and digital service	<ul style="list-style-type: none"> <li>• <b>Increased eligibility of program</b> beyond ESP referrals</li> </ul>
<b>Foundation Skills for Your Future (FSfYF) program</b>	To support employers to improve employees LLND skills and increase their productivity, and individuals not eligible for the AMEP and Workforce Australia.	Personalised training for eligible participants	<ul style="list-style-type: none"> <li>• <b>Changes to funding and administrative arrangements to reduce barriers</b> for provider delivery and employer engagement</li> </ul>

Navitas would foresee that these would be considered in detail as part of the Select Committee into Workforce Australia Employment Services.

**Recommendation 5**

- Extend the Terms of Reference for the Select Committee into Workforce Australia Employment Services to explicitly consider mutual obligations and the role of training and training providers in supporting secure, long-term employment outcomes.

## 5.2 Improving labour market outcomes for those who face challenges in employment

Navitas works closely with two cohorts that face challenges in employment – those from migrant and refugee backgrounds and those that are long-term unemployed. Below we provide input on how labour market outcomes can be improved for these two specific cohorts.

## Migrants and refugees

### The Adult Migrant English Program is a valuable program for recently arrived migrants and refugees

The Adult Migrant English Program (AMEP) is a program that focuses on the social and economic participation of migrants and former refugees. The program aims to increase the English language proficiency of participants, which can be a key barrier to employment as they settle in Australia. In addition to this, specific supports are provided through the Pathways to Work program which includes work experience placements to improve participants familiarity with Australian workplaces and gain experience. Education and employment are key settlement outcomes for these cohorts.

Navitas Skilled Futures has delivered the AMEP program since 1998 and has supported over 300,000 eligible migrants and former refugees to gain skills to support their settlement in Australia.

### Changes to the Adult Migrant English Program would result in improved employment outcomes for participants

Despite the success of the program, there is one key changes that Navitas believes would support better employment outcomes for participants. This is:

- **Recognition of VET competencies and modules in mainstream AMEP**, which would support more appropriate learning and education for participants based on their individual needs.

#### Recommendation 6

- Introduce increased flexibility into the Adult Migrant English Program (including in work experience and delivery of VET modules) to support better employment outcomes for migrant and refugee participants.

## Supports for the long-term unemployed

### Foundation skills are critical for the growth and productivity of Australia's economy

Foundations skills are a critical pre-condition for secure, stable work in many instances. Navitas Skills Future delivered both accredited and non-accredited Foundation Skills training under a number of its programs – including Skills for Education and Employment (SEE), Career Transition Assistance (CTA) and Foundation Skills for Your Future (FSFYF).

There is strong evidence that Australia's economic growth and productivity are underpinned by increasing foundation skills. Key work by the Australian Industry Group in 2016 identified that:

- **Literacy levels were comparatively low for Australia**, with 44 per cent of Australians having literacy skills below Level 3, considered to be the minimum requirement to operate effectively in workplaces and society.
- **Numeracy levels were lower still**, with 55% of the population having numeracy levels below Level 3.
- **Employer investment in Foundation skills delivers strong return on investment (ROI)**, with investment in foundation skills training delivering strong returns for employers.

### Foundation skills reform is necessary to support better sustainable labour market outcomes for the long-term unemployed

Currently foundation skills are delivered across a complex training and employment ecosystem. This represents a patchwork of policies and programs across the Commonwealth and State / Territory jurisdictions which lacks overarching coordination and leadership and coherent funding arrangements.

The importance of Foundation Skills has been identified in several government reviews, including:

- **Strengthening Skills: Expert Review of Australia’s Vocational Education and Training System (Joyce review), 2019**, which proposed all Australians that had not achieved Level 2 on the Australian Core Skills Framework (ACSF) should be given access to fee-free LLND skills.
- **Productivity Commission, Skills and Workforce Development Agreement**, which recommended developing a national strategy to improve Foundation Skills.

Navitas notes that there has been a comprehensive review of Foundation Skills recently announced by the Australian Government. It is critical that this results in a coordinated and aligned approach to program delivery and funding. This may include a stronger role for the Australian Government as a steward of the system.

#### Recommendation 7

- Clarify roles and responsibilities for Foundation Skills across levels of government and develop a coordinated and aligned approach to program delivery and funding.

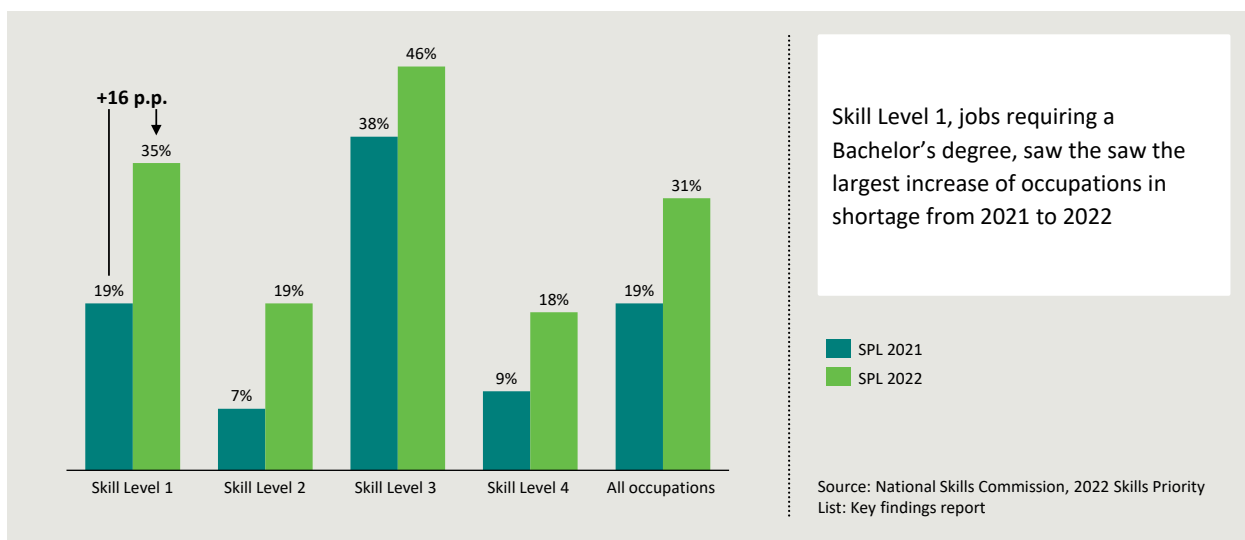
### 5.3 Skills, education and training, upskilling and reskilling, including in transitioning sectors and economies

**Skills, education and training are important to support workers across a range of different areas of the labour market**

Education will be key to supporting the future growth of the economy and positive labour market outcomes for all Australians. The National Skills Commission forecasts that over 50 per cent of the 1.2 million new jobs by 2026 will be at Skill Level 1 – occupations that require Bachelor level degrees or higher.<sup>11</sup>

Critically, the economy is seeing significant shortages in occupations that require this skill level. From 2021 to 2022, Skill Level 1 experienced the highest increase in occupations in shortage, from 19 per cent in 2021 to 35% in 2022 – as shown in Figure 6 below.

**Figure 6 | Proportion of occupations in shortage on the 2021 and 2022 SPL, by Skill Level**



<sup>11</sup> Employment Projections | National Skills Commission

This has also occurred in parallel with a decline in tertiary participation during the first six months of 2022. Combined with lower participation than seen in the past this is a concern. Only 22 per cent of 15- to 24-year-olds were studying full-time in tertiary education during the first half of 2022, the lowest recorded rate since 2007.<sup>12</sup> In part, this reflects the counter-cyclical nature of higher education, with more work opportunities available to prospective students in a tight labour market.

Given historically low participation in tertiary education and increasing demand for workers with a Bachelor level qualification and above, it is critical policies support increased participation in higher education.

Navitas puts forward feedback related to two specific cohorts in this section – transitioning workers and creative industries professionals.

## Transitioning workers

### **There would be benefits in providing targeted specific support for workers that are transitioning to new roles and new areas of the economy**

Transitioning to new roles can be very challenging for employees. Often this occurs under duress, through re-structure or redundancy, and can impact the mental health and confidence of workers as they face new challenges. There is limited support available to these workers as they are not able to access government support for short course programs (such as micro credentials) and are less likely to invest directly in their human capital given a precarious financial position. As a result, higher education and training providers do not offer significant numbers of programs to support transitioning workers. Increased access to HELP for micro credentials (at the unit or several unit level) would enable those experiencing transition to access appropriate skill sets they require to transition into new roles. Similarly, there are opportunities for government to consider how it can support course development in these areas – including in programs that consider mental health, workforce adaptability, as well as more role specific skill sets. Partnerships with the higher education sector through a pilot program would ensure appropriately designed and tailored courses are available to this cohort.

#### **Recommendation 8**

- Provide additional support for reskilling to workers transitioning between jobs by providing access to HELP support for single units of study
- Partner with the higher education sector to develop programs aimed at supporting transitioning workers – including in relation to mental health, workforce adaptability, and role specific skill sets.

## Creative arts professionals

### **Creative industries are a critical part of Australia's fabric, more is needed to support graduates in this area**

It is important that the cultural and economic value of Creative Industries is recognised in Australian society. In recent years recognition of its value has diminished, as particularly evidenced in student contribution reforms implemented by the Job Ready Graduate Program (JRGP).

There are substantial opportunities for Australia to grow its creative industries market – including in film, production and gaming. Our success in attracting this investment is however dependent on an available local workforce. In this way, a trained workforce becomes an important contributor to inbound investment through film, television and other forms of media. Without a professional workforce, opportunities will go elsewhere.

Independent higher education institutes are the leading providers of high-quality Creative Industries training. Over the past ten years this has become more prominent as public universities have reduced their program offerings in this area and divested the assets (both human capital and infrastructure) to deliver graduates in these areas. In

<sup>12</sup> ABS (2022), 6202.0 Labour Force, Australia, Table 16. Labour force status for 15–24-year-olds Note: The Labour Force Survey (LFS) utilises a country wide sampling methodology that is used to estimate the overall labour market activity.

2010 13% of students studying in select Creative Industries disciplines studied in the independent sector. In 2019, this was over 19%.

There are two key barriers to more students choosing to pursue training and study in Creative Industries disciplines. These are:

- **Comparably high cost compared to labour market outcomes**, which is further exacerbated for students studying in the independent sector by inequitable HELP schemes which adds an additional 20 per cent loan fee top the tuition loan.
- **The non-eligibility of FEE-HELP for single units**, with the Creative Industries an area with strong demand for micro credentials as students seek skill sets to develop professional opportunities that do not necessarily require a full award course qualification.

These recommendations are made elsewhere in the paper, so are not repeated here.

## 5.4 Migration settings as a complement to the domestic workforce

### International students provide an important pipeline of talent for the Australian economy and Australian society

Migration is an important complement to Australia's domestic workforce and can support significantly higher levels of productivity for Australia through attracting talent to live, work and settle in Australia. International students are a critical part of this – with many students aspiring to work and live in Australia once they complete their studies.

International students make highly productive migrants. They obtain strong employment outcomes following graduation, they are younger, have higher earnings and have a strong affinity with Australian values through their experience studying and living in Australia. Despite this, as Minister Clare has identified, only 16 per cent of students currently become permanent residents in the years following their studies.<sup>13</sup> This is lower than other competitor countries – such as Canada and the United Kingdom – who have changed policy settings over the past few years to attract the best and brightest.

### A small number of further changes could support more international students studying in the disciplines that are most important for Australia

Recent government reforms have supported the attractiveness of Australia as a destination, including extension of post-study work rights and increasing the migration cap, but more direct changes could support international students to address key skills shortages in Australia.

Increased links between international education and migration are appropriate now given the significant skills needs Australia has. There is therefore a need for an increased, but carefully calibrated reconnection between international education and migration, including through clearer pathways to permanent residency. Navitas proposes four key changes to the skilled migration, student visa and graduate visa programs, as well as the Professional Year Program (PYP) to support these objectives. These are:

- **Set a target for students to migrant transition**, increasing the proportion that will stay in Australia and become permanent residents from 16 per cent to 25 per cent.
- **Recognise that genuine higher education student visa applicants may have a migration intention** amending the Genuine Temporary Entrant (GTE) requirement to ensure it is fit for purpose in line with the workforce and skills requirements of the Australian economy. This includes amendments to the name to focus on 'Genuine students', more appropriate assessment of the 'genuineness' of students and amending practices for students.

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<sup>13</sup> [Post-study work rights for international students to boost skills | Ministers' Media Centre \(education.gov.au\)](https://www.education.gov.au/post-study-work-rights-for-international-students-to-boost-skills)



- **Targeted changes to the points-based system**, thereby providing a more attractive pathway for international students to settle in Australia. This includes addition points for students that fulfil the 'Australia Study Requirement' and study with an Australian higher education provider either in Australia or overseas.
- **Further support for the Professional Year Program (PYP)**, through increasing the points from 5 to 10 for participants that complete the work integrated learning program in areas of skills shortage including IT, Engineering and Accounting.

#### **Recommendation 9**

- Amend Direction Number 69 of Migration Act 1958 (and Migration Regulations 1994 as required) to ensure Genuine Temporary Entrant Criterion is fit for purpose given the current value in more international students staying and working in Australia after they graduate due to workforce and skills requirements of the Australian economy.
- Amend the migration points-based system to increase the points an applicant receives for a) the Australian Study Requirement and b) completing the Professional Year Program.