

# A migration system for Australia's future

Navitas submission  
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# 1. Introduction

## **Navitas is a leading Australian provider across higher education, training and employment services and engages with Australia's migration system in a number of ways**

Navitas is an Australian company founded in Perth in 1992 to support international students to transition to a higher education learning environment. In 2022, Navitas continues to be headquartered in Perth, but is a global company delivering international education, domestic higher education and government services programs in many locations – including the United Kingdom, New Zealand, Canada, United States and mainland Europe.

In Australia, Navitas engages with the migration program in a unique manner. Navitas' University Pathways division support both international 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. Navitas also delivers academic English language programs through Navitas English in sites across the country. Each of these parts of the business work directly with international students and education agents to assist them through the student visa application process. International students are supported by more than 300 staff located across 23 markets and has a network of over 2,300 education agents. Navitas also operates campuses on behalf of Australian universities in Asia and the Middle East.

In addition to our higher education businesses, Navitas also operates Navitas Professional which provides professional work opportunities for students through employability skills and work integrated learning experiences. This includes for international students through the Professional Year Program (PYP) which supports international students as they transition into the Australian labour market. Navitas, through Navitas Skilled Futures, delivers the Adult Migrant English Program (AMEP) which provides English language training to migrants and refugees that have recently settled in Australia. In this way, Navitas plays a variety of roles that interact with Australia's migration system, and we share our insights and recommendations based on this diverse experience and expertise.

The Navitas ethos of transforming lives through education is upheld across the world, including through the Navitas Education Trust which has provided \$3 million in funding for projects by charitable organisations with an education focus.

## **Through the migration review the government aims to develop a migration system that supports Australia's productivity and is simple, transparent and fair**

Navitas welcomes the announcement by the Hon Claire O'Neil MP, Minister for Home Affairs, of this review to inform a strategy – *A migration system for Australia's future*. Navitas supports the efforts of government to develop a strategy that 'enhances Australia's productivity and provides business with the skilled workers they need, while assisting migrants to build new and prosperous lives in Australia'.<sup>1</sup>

Navitas also congratulates the Australian government for the consensus-based outcomes of the Jobs and Skills Summit to increase the Permanent Migration program; provide additional resources to accelerate visa processing; increase the duration of post-study work rights; provide clarity on the relaxation of work restrictions for student visa holders in July 2023; and to work towards improved migration pathways for skilled workers.

## **Navitas puts forward a range of recommendations to improve the migration program related to international students, graduates, migrants and other refugees**

The following submission outlines Navitas response to the Discussion Paper provided. Our submission primarily responds to three of the Terms of References (ToRs):

Identify the reforms needed to create a simple, efficient migration system that can effectively:

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<sup>1</sup> Minister O'Neil, *A Migration System for Australia's Future*, 7/11/22

- Complement Australia's education and training system and the skills of Australians
- Complete globally for highly skilled migrants, including by improving clients' experience of the immigration process
- Provide clear pathways to permanent residence and citizenship and reduce the exploitation of migrants works.<sup>2</sup>

Navitas understands that the scope of the review encompasses the migration program in its entirety. As per the discussion paper, this includes 'both temporary and permanent visa programs; the underpinning legislative and policy framework; the systems and programs that support administration of these programs; and the settlement policies and programs that support migrants' transition to Australian life'. Given this scope, Navitas within this submission identifies opportunities to improve:

- **The Student Visa (subclass 500)** and associated instruments to complement Australia's education and training systems, provide coherency to students, their families and education agents about opportunities available in Australia and support Australia to compete globally for highly skilled migrants (see section 2 and recommendations 1 to 4).
- **The Temporary Graduate Visa (subclass 485)** and the associated **Professional Year Program** in order to provide greater opportunities for international graduates that have studied in Australia to pursue employment in their chosen field and support the Australian economy through developing a pipeline of highly skilled graduates with experience studying and working in Australia (see section 3 and recommendation 4).
- **Pathways to permanent residence for international students and graduates** including through changes in the points-based system to provide a more attractive pathway for higher education talent that has studied in Australia to settle in Australia and contribute to the Australian labour market, the Australian economy and Australian society (see section 4 and recommendations 5 and 6).
- **Humanitarian, Family and Skilled (Secondary) visas** ensuring that existing visa settings and requirements deliver a supported transition for new migrants and refugees as they settle in Australia (see section 5 and recommendation 7).

Navitas makes seven recommendations to support these ToRs – as summarised in Figure 1 overleaf.

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<sup>2</sup> *A migration system for Australia's future* Terms of Reference for the Independent Strategy Leads

Figure 1 | Summary of Navitas recommendations

Section	Navitas recommendation
<p><b>Student visa (subclass 500)</b></p>	<p><b>Recommendation 1.</b> Reform the Student Visa (subclass 500) – Genuine Temporary Entrant Requirements to remove complexity and deterrents to skilled migration through:</p> <ul style="list-style-type: none"> <li>• Replacing Genuine Temporary Entrant (GTE) with Genuine Student (GS)</li> <li>• Defining genuineness as requiring an applicant to genuinely study their intended course, comply with their visa conditions, have sufficient funds to support themselves and not remain unlawfully in Australia</li> <li>• Affirming that visa rejection is not triggered by an applicant indicating an aspiration to pursue pathways to migration following their studies</li> <li>• Affirming that skills obtained through education can contribute to migration through skilled pathways</li> <li>• Removing the Statements of Purpose (SOPs) as a universal requirement for student visa applications</li> <li>• Reinstating SOPs as a targeted tool to complement application interviews in high risk assessments.</li> </ul> <p><b>Recommendation 2.</b> Make strategic changes to the GTE student visa assessment process to support broader sector and government objectives, including through:</p> <ul style="list-style-type: none"> <li>• Positively considering visa applications for students that have commenced studies offshore in their assessment, as these students have demonstrated that they are ‘genuine students’</li> <li>• Identifying alternate approaches to visa assessment for new markets where there is not an existing track record of student recruitment to support diversification priorities</li> <li>• Amending assessment processes for student visa applications that include extended ELICOS (English language) study.</li> </ul> <p><b>Recommendation 3.</b> Amend the Streamlined Student Visa Framework (SSVF) as part of the student visa system so that the visa risk for a student is with the currently enrolled provider following onshore transfers of student, thereby removing the ‘trailing risk’ for international education providers.</p>
<p><b>Temporary Graduate Visa (subclass 485)</b></p>	<p><b>Recommendation 4.</b> Rename the Temporary Graduate Visa and lead a campaign directed to employers focused on communicating the benefits of temporary graduates for Australian employers and aimed at improving labour market outcomes for international graduates.</p>
<p><b>Pathways to permanent residency</b></p>	<p><b>Recommendation 5.</b> Amend the points allocated under the skilled migration points system for targeted criteria (Australian Study Requirement and English Language Skills) to provide a clearer and more achievable pathway for international students to migrate permanently to Australia.</p> <p><b>Recommendation 6.</b> Expand the Professional Year Program (PYP) to further realise its benefit in supporting Australia’s migration objectives, including through:</p> <ul style="list-style-type: none"> <li>• Increasing the skilled migration points for the PYP from 5 points to 10 points</li> <li>• Expanding the PYP to other industries / occupations that are experiencing skills shortages</li> <li>• Consider expanding PYP eligibility to overseas graduates to attract the best talent to Australia.</li> </ul>
<p><b>Humanitarian, Family and Skilled (secondary applicant) visa holders</b></p>	<p><b>Recommendation 7.</b> Consider options to provide further employability and skills services to support the settlement of migrants. This may include through the establishment of migrant career centres (both physical and virtual) to provide the Pathway Guidance and Pathways to Work programs that migrants with a post-secondary education can access within the first 12 months of arrival.</p>

## 2. International education and the Student Visa (subclass 500) settings

The student visa (subclass 500) underpins the regulatory architecture essential to the success of Australia's international education industry. Prior to the COVID pandemic, this industry contributed almost \$40 billion annually to the Australian economy – with 40 per cent of this flowing to the productivity of the local economy – through purchasing on goods and services. The international education industry, supported by the student visa (subclass 500), is a success. Australia is one of the leading destinations for international students globally, students contribute to the Australian economy during study (including both through employment and expenditure on goods and services) and graduates ultimately support the productivity of their home countries, for those that return home, and Australia, for those that pursue opportunities in Australia.

Navitas strongly supports the majority of the existing settings in relation to the student visa (subclass 500). This includes the change to a single student visa. We do however make two recommendations to ensure it continues to be fit for purpose. This includes in relation to the Genuine Temporary Entrant (GTE) provisions and the management of risk under the Streamlined Student Visa Framework (SSVF). Each is discussed in turn.

### 2.1 Genuine temporary entrant provisions

#### **Genuine Temporary Entrant provisions aim to manage risk of visa non-compliance by international students**

The GTE provisions require an applicant for a Student Visa (subclass 500) to prove that they are a genuine temporary entrant. Ministerial Direction 69 outlines the requirements for approval of a student visa. The intent of the Direction was to manage risks around non-genuine students and support a consistent assessment of this.

#### **The GTE creates confusion for prospective students and agents and is not compatible with Australia's skills, workforce, and migration objectives**

Navitas acknowledges the historical intent of the GTE, as an approach to visa compliance, however we propose that the GTE is outdated, complex, bureaucratic and acts as a deterrent to skilled migration. The GTE provisions imply a short-term, transactional engagement with student visa holders, deterring those who aspire to residency and to making a long-term commitment to Australia's skilled workforce, national productivity and broader society. The GTE is complex to administer consistently; confusing for applicants, their family, and education agents; and dilutes the message that Australia is welcoming to international students and migrants.

The definition of genuineness as temporary entrance results in visa rejections where an applicant has expressed an aspiration to reside in Australia. These rejections unnecessarily impact enrolments in international education industry, reduce realisation of the benefits of intending migrants and subject individuals to a record of visa refusal with potential ramifications for future visa applications and international travel rights.

#### **Changes to the GTE would support an approach that is fit-for-purpose given skills shortages being experienced by businesses and Australia's current labour market needs**

Navitas acknowledges and agrees that there is a need to have a regulatory safeguard in place to ensure that the student visa system is not exploited through applications from non-genuine students pursuing opportunities to access Australia. However, the existing GTE approach is no longer appropriate as it no longer meets Australia's needs. The GTE must reflect the shifting needs of the Australian labour market and an increased recognition that international students may have a migration intention and many international students and graduate positively contribute to Australian society following completion of their studies. The risk of being rejected for a visa means applicants do not declare a migration intention. This means the safeguard is not effective, but also means an opportunity is missed to collect key information that identifies an applicant's interest in pursuing migration. Appropriate collection of this information would support skills and sector workforce planning.

Given this, Navitas proposes four changes to the existing GTE process:

**A. The Student Visa should admit Genuine Students, rather than Temporary Entrants**

As outlined, student visa approval is currently determined by the requirement to establish that a student visa applicant is a 'Genuine Temporary Entrant'. Applicants are required to be 'genuinely temporary', rather than 'genuine students'. This terminology messages Australia as a country of short-term welcome that does not accept that genuine student visa applicants may have a future migration intention. The GTE terminology conveys to applicants commencing their higher education studies in Australia that pathways are either not available, or do not recognise skills obtained through higher education. Amending the focus to be on assessment of 'Genuine Student' status, as per the wording in the *Migration Act 1958*, as opposed to 'Genuine Temporary Entrant' would address this.

Genuineness for the purposes of a student visa should be established where a successful applicant affirms that they will genuinely study their intended course, comply with their visa conditions, have sufficient funds to support themselves and not remain unlawfully in Australia.

**B. The availability of skilled pathways to residency should be affirmed in Ministerial Directions**

The current GTE Direction could better reflect that the GTE does not preclude access to applicants who may seek to apply for permanent residency in Australia. While transparency that a student visa does not guarantee residency is essential, the Direction should indicate that residency streams include skilled workers and that successfully completing studies can contribute to a pathway to residency.

**C. Universal requirement of a Statement of Purpose (SOP) should be removed as it creates complexity and reduces its effectiveness**

The original intention of the SOP was for it to be a tool to gather additional information where an application required further scrutiny. The SOP has become a requirement of all applicants and consequently resulted in the emergence of services to assist applicants to prepare SOPs. Standardisation of the SOP requirement has created undue complexity for applicants and undermined its usefulness as an additional tool in high risk assessments.

**D. Regular reviews, including stakeholder consultation, on the provisions of the GTE Direction should occur**

The Ministerial Directions for student visa decision makers should be regularly reviewed for ongoing applicability. Specifically, visa rejections based on course availability in home country rely on a direction that gives little guidance to the genuineness of an applicant's international study aspirations. Similarly, family connections in Australia can support academic progression and student success in an international learning environment, rather than signalling risk of visa non-compliance.

**Recommendation 1**

Reform the Student Visa (subclass 500) – Genuine Temporary Entrant Requirements to remove complexity and deterrents to skilled migration through:

- Replacing Genuine Temporary Entrant (GTE) with Genuine Student (GS)
- Defining genuineness as requiring an applicant to genuinely study their intended course, comply with their visa conditions, have sufficient funds to support themselves and not remain unlawfully in Australia
- Affirming that visa rejection is not triggered by an applicant indicating an aspiration to pursue pathways to migration following their studies
- Affirming that skills obtained through education can contribute to migration through skilled pathways
- Removing the Statements of Purpose (SOPs) as a universal requirement for student visa applications
- Reinstating SOPs as a targeted tool to complement applications interviews in high risk assessments.
- Undertaking regular reviews of the Direction to ensure it has ongoing applicability.

In addition to the four core changes recommended above, there are also opportunities to ensure that student (subclass 500) visa processing better supports the strategic objectives of the government and sector in

international education and more broadly. Three additional considerations are presented for how the visa process could support outcomes related to English language skills, expansion of education delivery outside Australia and diversification within the sector. The proposed changes are:

**A. Support positive assessments for those that have commenced study with an Australian provider offshore**

Currently, it is not actively considered whether a student has studied with an Australian provider in the visa assessment process. Navitas believes there would be benefits in considering applications from students that have studied overseas with Australian providers (for an extended period) positively. These students have demonstrated a commitment to study which shows they are genuine students. Adopting this approach would be a sensible way to assess track record based on recent direct and objective experience, with this used as a positive assessment criteria for the applicant being a 'genuine student'. In addition, this would also validate, promote, and support delivery by Australian higher education providers offshore.

**B. Changes to GTE assessment practices to support sector and government objectives around diversification**

Diversification is a key focus for the international education sector in the recovery from the COVID pandemic. This includes through attracting students from a more diverse range of source countries, including markets where Australian providers have not typically recruited from. The existing GTE approach can be a deterrent to this, with the approach adopted by Home Affairs resulting in high visa rejection rates for markets that do not have a significant track record due to limited student numbers. This means providers cannot recruit from these countries that would support diversification efforts and these students are not able to study in Australia.

Navitas recommends that the government consider alternate mechanisms that might be used in 'new markets' to ensure that the visa system supports government and sector efforts around diversification and sustainability. There are a number of options, but one approach could be to pilot or trial an approach with providers that have a strong track record of delivering high quality and genuine students under the SSVF system.

**C. Changes to GTE assessment to support English language study**

English language proficiency is a key factor in a student's academic success and fundamental to their learning in any field, and indeed their success in their graduate careers if they remain in Australia. Navitas has observed that there has been a decline in the number of weeks of ELICOS study that can be included in a visa application without the visa application being rejected. Previously, providers would be able to put forward a program for up to 50 weeks of ELICOS, however in recent years applications with packaged visas greater than 10 weeks are often rejected. Given the importance of high-level English for studies, and the increased importance following a period of learning loss globally due to the COVID pandemic, access to extended English language training is important.<sup>3</sup> Navitas recommends that student visa assessments should prioritise the learning outcomes of students by allowing longer periods of ELICOS study as part of packages visas to ensure they have appropriate language skills before commencing their studies.

**Recommendation 2**

Make strategic changes to the GTE student visa assessment process to support broader sector and government objectives, including through:

- Positively considering visa application for students that have commenced studies offshore in their assessment, as these students have demonstrated they are 'genuine students'
- Identifying alternate approaches to visa assessment for new market where there is not an existing track record of student recruitment to support diversification priorities
- Amending assessment processes for student visa applications that include extended ELICOS (English language) study.

<sup>3</sup> Jon Chew and Scott Jones (2022) [International students: Australian universities must be alert to pandemic-related learning loss \(afr.com\)](https://www.afr.com)



## 2.2 Student visa risk under the Simplified Student Visa Framework

### **The Simplified Student Visa Framework (SSVF) is the approach currently to manage student visa applications**

The SSVF system was introduced in 2017 and has now been operating for more than five years. The approach adopts a combined country and education provider evidence level model to determine whether a student making a student visa application is required to submit additional information as part of the visa application (such as financial and English language capacity) or whether they can apply through a streamlined approach.

Navitas is supportive of the SSVF framework broadly and believes that it is an appropriate way to manage risk within the student visa system. It is also a simpler process to navigate for students and for providers to manage than previous approaches.

### **Some aspects of the existing SSVF system do not support positive and sustainable recruitment practices**

Despite supporting the SSVF overall, there are some aspects of the framework that should be updated to ensure it is fit for purpose. Under the current SSVF approach risk, and penalties arising from visa non-compliance, reside with the original education provider of a student visa holder. This impacts the providers risk rating. Where a student transfers to another institution after arriving in Australia the risk does not transfer with the student, despite there being no mechanism for an original provider to monitor ongoing visa compliance.

This 'trailing risk' creates complexity in the visa settings with providers having no clear mechanism to assess their risk exposure or to mitigate rising risk ratings from non-compliance. The attachment of risk to original providers creates a circumstance where monitoring of compliance is disincentivised for providers that recruit onshore and risks exploitation of the system by unscrupulous providers and agents. This has the potential to undermine rather than complement Australia's education and training system and Australia's reputation as a high-quality education destination.

### **Navitas proposes that changes should be made to SSVF to ensure that providers are not required to have a 'trailing risk' following a student transfer**

Navitas proposes that it is reasonable to expect that the application of genuineness assessment at the point of visa approval has sufficient rigor and that subsequent non-compliance is not able to be predicted. Given this, Navitas recommends that changes should be made to the SSVF, so that immigration risk should attach to the currently enrolled provider, but the original recruiting provider. The current provider where the student is enrolled is most capable of monitoring any changes to a visa holders circumstances and ongoing compliance. This will also deter providers that rely exclusively on onshore recruitment, as well as negative recruiting behaviours by unscrupulous providers and agents.

#### **Recommendation 3**

Amend the Streamlined Student Visa Framework (SSVF) as part of the student visa system so that the visa risk for a student is with the currently enrolled provider following onshore transfers of student, thereby removing the 'trailing risk' for international education providers

## 3. International graduates and the Temporary Graduate Visa (subclass 485)

The Temporary Graduate Visa (subclass 485) allows international students to live, study and work in Australia once they have completed their studies. This is a key visa for two key reasons. Firstly, it provides international students with an opportunity to gain professional work experience following the completion of their studies in Australia. This provides both an important graduate workforce in key areas of the economy and also supports Australia's position as an attractive international education destination. Secondly, the Temporary Graduate Visa typically provides the first steppingstone for international students that will eventually permanently reside in Australia. It is therefore important to make that as attractive a pathway as possible.

Navitas makes one recommendation on how the Temporary Graduate Visa (subclass 500) could be further improved through changes to the graduate visa, including its name. There are two streams within the Temporary Graduate Visa – the 'Post-Study Work Stream' and the 'Graduate Stream'. Recommendations made refer specifically to the 'Post Study Work Stream'.

### 3.1 Changes to the Temporary Graduate Visa

#### **The Temporary Graduate Visa is important in providing a highly skilled pipeline of talent and for Australia's competitive position as a leading international education destination**

The Temporary Graduate Visa (subclass 485) was intended primarily to ensure that international students get the opportunity for meaningful work experience. It also had the benefit of improving the student experience and Australia's relative position compared to other destination countries. It is also important to acknowledge that, at least for some students, post-study work rights through the Temporary Graduate Visa (subclass 485) can provide an opportunity on the pathway to permanent residency in Australia.

Navitas believes that the Temporary Graduate Visa is an accessible program for graduates of Australian higher education providers and that the visa is an option that is taken up by many students upon their graduation. In 2019-20, prior to the COVID pandemic, there were a record 77,000 applications for the Temporary Graduate visa program, with applications growing by a steady 22 per cent per year (on average) from the 34,500 lodgements seen in 2015-16.<sup>4</sup> In the same year, the Department of Home Affairs granted 63,000 temporary graduate visas, which suggests an appropriately high grant rate.<sup>5</sup>

Navitas also welcomes the government's efforts to further increase post-study work rights opportunities that are available to international graduates at Australian higher education providers. The recent announcement of two additional years post-study work rights for international students studying in defined areas of skills shortage has been welcomed in the market by students and agents.

#### **Employee awareness and skills mismatches in labour market outcomes for visa holders are key current challenges**

Despite the positives of the Temporary Graduate Visa in terms of access and usage, there are challenges in two key areas:

- **There is a mismatch between skills profiles of graduates and their employment outcomes.** Relatively weak labour market outcomes indicate the Australian economy and society is not currently benefitting from the full participation and productivity of this highly qualified cohort. Navitas' analysis of the historical Australian Census and Temporary Entrants Integrated Dataset (ACTEID) has identified that:

<sup>4</sup> Home Affairs (2022) Subclass 485, Temporary Graduate Visa lodged pivot table

<sup>5</sup> Home Affairs (2022) Subclass 485, Temporary Graduate Visa granted pivot table

- a relatively large proportion of graduate visa holders work in low skilled occupations in retail (15 per cent) and food services (17 per cent)
  - around one-in-five graduate visa holders are either unemployed and looking for work (11 per cent) or are not participating in the labour market (i.e., not looking for work, 12 per cent)
  - labour market outcomes are not as strong as young Australian degree holders, with higher rates of unemployment, lower rates of full-time employment and a lower proportion studying in professional roles or in an industry aligned to their study field (33 per cent compared to 64 per cent).
  - a relatively large proportion of graduate visa holders work in low skilled occupations in retail (15 per cent) and food services (17 per cent)
- **Many employers are not aware of the program, have low familiarity with its benefits and therefore recruitment of international graduates is low.** Studies have shown and Navitas' own experience has indicated that a large share of employers hold a view that recruiting an employee that is anything other than a permanent resident or citizen is risky.<sup>6</sup> Given this prevalent view, it is important steps are taken to address this misconception.

In line with the above analysis, Navitas strongly agrees with the discussion paper, which identified that 'there is a significant misalignment between labour market employment opportunities and pathways to permanent residence for international students that mean we are not fully utilising their skills'.

### **Navitas recommends re-naming the graduate visa and leading a campaign targeted to employers on the work rights and benefits of this cohort**

To maximise the value and impact of temporary graduates Navitas proposes that the Australian Government:

- **Rename the 'Temporary Graduate Visa'**, with the revised name placing lesser emphasis on the 'temporary' nature of this visa which can be a deterrent to potential employers. Language used by other education destinations may be considered. Canada adopts the term 'post-graduation work permit', the United Kingdom 'Graduate route' and New Zealand uses 'Post-study work visa'.
- **Lead a campaign directed to employers**, focused on aiming at increasing awareness of the program, addressing misconceptions about graduates work rights and future options and communicate that it is a viable and attractive option to employ international graduates from Australian institutions.

Collectively these changes will ensure that these temporary graduates get a higher chance of achieving meaningful employment in a relevant area of study, and thereby delivering to Australia an immediate dividend in areas of skills shortages.

#### **Recommendation 4**

Rename the Temporary Graduate Visa and lead a campaign directed to employers focused communicating the benefits of temporary graduates for Australian employers and aimed at improving labour market outcomes for international graduates.

<sup>6</sup> See Chew, J (2019) 'Economic opportunities and Outcomes of Post-study Work Rights in Australia' (IEAA) and Tran, Rahimi & Tan (2019) 'Temporary graduafication: impacts of post-study work rights policy in Australia', Research for Educational Impact, Deakin University, September 2019.

## 4. Pathways to permanent residence for international students and graduates

Pathways to permanent residence are important for all visa holders, including international graduates and international students. There are opportunities for this to be higher through a carefully calibrated link between international education and migration. This is important for Australia's economy – with international graduates representing a highly skilled cohort, including in key areas of skills shortage.

Navitas recommends two changes to provide increased pathways to permanent residency for international students and graduates. Firstly, Navitas recommends changes to the skilled migration points system to provide a pathway for international students. Secondly, expansion of the highly successful Professional Year Program (PYP) would support international graduates to meet skills needs in the economy through achieving permanent residency.

### 4.1 Providing clear migration pathways to international students and graduates

#### **There are pathways for international graduates, but very few achieve permanent residency**

While many former Student Visa (subclass 500) holders can transition to be permanent residents in Australia (either through the Temporary Graduate Visa (subclass 485) or directly), there are many more that are not invited to apply for the program on the basis of their points score. Navitas understands the rationale for the points-based system and supports its ongoing use, with some amendment.

Currently only 16 per cent of international students gain permanent residency in the years following their studies. Navitas believes that targeted changes to the points allocation for specific categories could provide a more attractive and achievable pathway for those that have studied in Australian higher education institutions. This would support increasing access temporarily to a group of individuals that have multiple years' experience studying, working and living in Australia (and are therefore already accustomed to and supportive of Australian values).

#### **Talent may choose to go elsewhere where migration pathways are clearer**

Migration pathways are more favourable for many other international education destinations. Recent changes in Canada now means that it is seen as the most favourable by international students and education agents. In Navitas' most recent survey of its education agent network, opportunity for permanent migration was identified as a key decision factor in where to study, with 50 per cent identifying it as one of the top seven factors. For those that identified it, over 60 per cent reported that Canada was the most attractive destination on this measure compared with Australia, the United Kingdom and the United States.

This represents a challenge for international student recruitment but, more importantly, also for Australia's ability to attract global talent. For many students, Canada may provide a more attractive study location based on this.

#### **Navitas recommends targeted changes to the skilled migration points system to provide a pathway to permanent residence for international student graduates**

In line with the change in policy intent and as part of a careful and calibrated re-coupling of international education pathways to migration, the Australian government should make specific and targeted changes in the skilled migration points system to provide a more attractive pathway for higher education talent that has studied in Australia to settle permanently in Australia. Two specific changes are proposed.

- **Change the points allocated for the 'Australian Study Requirement'.** Currently applicants receive five points for holding a degree; diploma, or trade qualification' from an Australian institution. Navitas proposes

that those that have studied for a degree level program (either at Bachelor's level, Master's level or PhD) should receive an additional five points (or ten points in total).

- **Greater number of points for English Language Skills criteria for higher levels of proficiency.** With an increased allocation proposed for those that have obtained higher levels of English proficiency in order to incentivise the maintenance and further enhancement of language skills by applicants.

In addition to these changes, Navitas acknowledges that the increase in the duration of the Temporary Graduate Visa for two additional years for students studying in occupations with skills shortages will support a pathway for international students. Spending longer in Australia will increase the number of points these visa holders receive.

Collectively these three changes would each have primary benefits for the Skilled migration program – supporting improved access to permanent residency through better use of both the Independent visa (subclass 186) and Nominated (state and territory) visa (subclass 189) categories. It would also deliver secondary benefits for Australia as an international education destination – providing increased clarity and attractiveness to some students in the short-term due to the clear and formally established pathway to permanent residency.

#### **Recommendation 5**

Amend the points allocated under the skilled migration points system for targeted criteria (Australian Study Requirement and English Language Skills) to provide a clearer and more achievable pathway for international students to migrate permanently to Australia.

## **4.2 Professional Year Program**

The Professional Year Program (PYP) is a job-readiness program that aims at bridging the gap between full time study and professional employment in Australia. The program is available to international students who have graduated with an undergraduate or postgraduate award and currently hold a Temporary Graduate Visa. The program is currently available in three key fields that are experiencing skills shortages across Australia – Engineering, IT and Accounting occupations.

Navitas is the only provider in Australia to deliver the PYP in these three occupation areas and delivers the program nationally.

### **The PYP is an effective program that provides a talent pool critical skills shortage gaps in Australia's labour force**

The PYP provides a ready pool of highly skilled migrants that are not only accustomed to Australia but are also specifically accustomed to Australian workplaces and work practices. The PYP supports each connection between students and industry, meaning students can quickly contribute to the workforce.

The PYP establishes early connection between students and industry. Many of the students participating on this program study subjects aligned to Australia's skills needs and gain experience working directly with Australian employers and in Australian businesses. In this way they represent a significant talent pool for Australia.

Program outcomes of the PYP are very strong and provide efficacy for the program. A high number of Navitas clients have gained permanent employment in their chosen discipline area following the program. Many of these gain employment with the host company where they undertook their placement during the PYP.

## **Navitas proposes an expansion of the PYP program to further support Australia's migration objectives**

Navitas proposes a number of changes to the PYP program which would further enhance its value and support a greater contribution to Australia's migration program. Expansion of this program will ensure that Australia is able to full realise the benefits from this cohort and this program moving forward.

Navitas proposes three key changes to the PYP program:

### **A. Increase the migration points for the Professional Year Program from five to ten**

This change to the visa points system will recognise the distinct experience that those that have participated in the PYP have and the contribution they are able to make to Australia. This will also increase the attractiveness and competitiveness of Australia relative to other competitors (such as the UK and Canada) in attracting the best and brightest.

### **B. Expand the PYP to other industries / occupations aligned to government priority areas**

The program is currently limited to three fields (Accounting, ICT and Engineering). Navitas propose that given the success and utility of the program it be extended to other occupations and industries, with the role of the professional accrediting bodies more focussed on promoting the program as an entry pathway into relevant fields. As the intent of the program is to address skills shortages in the Australian economy, increased alignment with the work of Jobs and Skills Australia would be valuable to ensure the program is responsive to identified emerging skills needs. Navitas foresees that an expanded program would include both health and social sciences where shortages exist.

### **C. Consider expanding PYP eligibility to overseas graduates to attract the best talent to Australia**

Navitas proposes expanding the PYP for graduates of overseas institutions, as a way of attracting the best and brightest graduates globally through the PYP program. If implemented, it should be limited to areas where there are key skills shortages and confined to graduates of qualifications recognised through formal mechanisms (i.e., the Washington Accords for Engineering).

#### **Recommendation 6**

Expand the Professional Year Program (PYP) to further realise its benefit in supporting Australia's migration objectives, including through:

- Increasing the migration points for the PYP from 5 to 10
- Expanding the PYP to other industries / occupations that are experiencing skills shortages
- Consider expanding PYP eligibility to overseas graduates to attract the best talent to Australia.

## 5. Family, Skilled (Secondary) and Humanitarian visa holders

The Family, Skilled (Secondary) and Humanitarian visa categories all play distinct and critical roles in supporting Australian society. Family visas provide opportunities for connection and reconnection of family members. Humanitarian visas provide opportunities to refugees around the world. Skilled (Secondary) visas provide opportunities for families to stay connected when they are in Australia. Each is fundamental in supporting Australia as a multicultural, principled and welcoming country.

Navitas provides insights from its long history and experience in delivering the Adult Migrant English Program (AMEP) to migrants and refugees and makes a recommendation on how increased supports for employability could support the settlement process for migrants as they transition to life in Australia.

### 5.1 Changes to settlement supports for migrants and refugees

#### The Adult Migrant English Program provides effective support for migrants and refugees when they arrive in Australia

The AMEP is a key service that support the settlement of migrants and refugees into Australia. The program, which is delivered on behalf of the Department of Home Affairs, focuses on learning and applying English through relevant settlement topics at appropriate language levels.

Navitas provides the AMEP in locations across both Sydney South West and Canberra through Navitas Skilled Futures. Navitas' AMEP clients are predominately hold either Family and Humanitarian visas (50 per cent and 43 per cent respectively) – as shown in the figure below.

Figure 2 | AMEP clients by Migration Category and Gender<sup>7</sup>

Visa type	Female	Male	Other	GRAND TOTAL	
Family	1801	528		2329	50%
Humanitarian	1296	700	1	1997	43%
Skilled	221	90		311	7%
Unknown	17	2		19	-
<b>GRAND TOTAL</b>	<b>3335</b>	<b>1320</b>	<b>1</b>	<b>4656</b>	
	72%	28%	-		

Many AMEP participants are skilled and highly qualified when they arrive in Australia. Of Navitas' overall AMEP cohort in FY2022, 21 per cent reported post-secondary qualifications before registering with AMEP. Of this group, 73 percent had either a degree or post-graduate diploma. The AMEP programs support them to unlock their potential through development of English language skills and proficiency and targeted employability supports.

There are two features of the AMEP that unlock the potential of migrants:

- **Guidance on individual employment goals.** Pathway guidance through the program work with individual clients to identify the education and employment goals and needs of participants. This supports clients to

<sup>7</sup> Internal Navitas program data. Note: the NSF Humanitarian cohort is higher than the national average and Skilled (Secondary Applicant) cohort is less than the national average due to client profiles in the regions.

access the relevant resources and supports and is captured in an Individual Pathway Guide for each individual.

- **The Pathways to Work program focused on employability skills.** These courses are aimed at improving professional employability skills through eight weeks of training and a two-week placement in their professional or related field. The program delivers very strong outcomes with almost 40 per cent of our clients employed within eight weeks of the end of their course. For many, the experience supports entry into further education and training pathways.

The approach of the AMEP is effective for supporting those that are able to access it in their engagement with the labour market and should be retained and prioritised. In addition to the AMEP, Humanitarian arrivals are provided settlement support through the Humanitarian Settlement Program.

### **There are many challenges faced by migrants and refugees – some are shared challenges while others relate to the specific visa categories of the individual**

The experiences of migrants on different visa categories have many similarities, but there are also distinct and different challenges. Navitas' experience is that Humanitarian visa holders experience different challenges in particular, including:

- **Lower levels of English than other visa category holders.** As might be expected, Navitas' experience is that typically Humanitarian arrivals have the lower levels of English compared to individuals on a Family or Skilled visa category.
- **Disconnection with family, friends and community while settling in Australia.** Initial arrival can be an abrupt change for Humanitarian arrivals in particular, experiencing disconnection from their support network.
- **Greater complexity can make it more challenging to successfully settle in Australia.** The nature of Humanitarian visa holders and visa holders' direct experiences often means that settlement cases are more challenging and complex. This includes in a number of different ways including in relation to their psychological health, the impacts of trauma (including for those that have experienced torture), significant anxiety about disconnection from friends, family and community offshore. All these factors can impact their settlement.
- **Additional pressures around repaying sponsorship costs to family or community.** In the case of sponsored Humanitarian arrivals, there can also be additional financial pressure to repay family / community for the costs of obtaining a visa and travel.

In contrast, the experiences and challenges of visa holders in the Family stream differ. These include:

- **High unemployment rates for women participants compared to men.** The majority of Family arrivals are women (as shown above). This group has a much higher unemployment rate and much lower participation rate than foreign born men. The gap is actually more significant than between Australian born women and men.
- **An assumption family entrants will be self-sufficient means they are not supported as well to settle as they could be.** Largely, and understandably, government services and payments are primarily focused on humanitarian entrants, with an assumption other migrant cohorts will be self-sufficient. This misses an opportunity to ensure these migrants are appropriately supported to settle and engage in the labour market.
- **Extended waiting periods to access most working age services and payments.** Individuals on Temporary Spouse Visas and Permanent Skilled and Family migrants have waiting periods for up to four years to access most working age services and payments. This can provide barriers and disincentives to engage in the labour market based on their previous education, qualifications and experience.

Despite these different challenges across visa categories, finding work due to lack of English proficiency and local work experience is a shared and significant challenge for many migrants. Other shared challenges include a low understanding of the Australian job market and how to search for a job, unfamiliarity with Australian workplaces



and practices, challenges with skills and qualification recognition and the need to obtain accreditation from professional bodies.

### **Adopting a client centred approach to settlement and address settlement service gaps that exist will more effectively unlock the potential contribution of all migrants**

Navitas believes it is critical that the government adopts a client-centred, place-based and strengths-based approach to optimise the social and economic benefits that Humanitarian, Family and Skilled migrants bring to Australia.

From Navitas' perspective, sustainable employment outcome is a key settlement for individuals on all types of visas – including Humanitarian, Family and Skilled (Secondary) visas. However, the Family visa process does not recognise the skills and experience of applicants. The separation of migration policy into Family and Skills can mean the potential economic contribution of Family and Skilled (Secondary applicant) visa arrivals in meeting skills gaps in the economy is not prioritised. There are significant opportunities to realise the benefit to the labour market of these cohorts through increased emphasis and support to optimise their employment opportunities.

Many migrants do not receive access to funded employability, skills training, and career guidance as most are not eligible for support through Workforce Australia services. While some migrants will receive support through the AMEP program, this is limited to those that have a less than proficient English skill level. Navitas strongly believes access to appropriate employability supports is important for those that are not eligible for AMEP in order to support increased labour market participation and employment outcomes. This includes visa holders across the Humanitarian, Family and Skilled (Secondary) categories.

Navitas recommends that the government consider options to provide employability and pathway guidance to all migrants. This may be through the establishment of migrant career centres to support the settlement of migrants and their immediate engagement with the labour market.

Ensuring those that are settling into Australia are able to do so effectively and without significant barriers is important for Australia's values as a diverse, welcoming, and fair country.

#### **Recommendation 7**

Consider options to provide further employability and skills services to support the settlement of migrants. This may include through the establishment of migrant career centres (both physical and virtual) to provide the Pathway Guidance and Pathways to Work programs that migrants with a post-secondary education can access within the first 12 months of arrival.