



STRATEGIC REVIEW OF THE STUDENT VISA PROGRAM 2011

REGULATION IMPACT STATEMENT

1. BACKGROUND

International education is Australia's third biggest export industry, generating income of \$18.3 billion in 2010. International students pay fees to Australian education institutions and spend money on accommodation and other living costs. All of these activities generate more jobs for Australians.

The sector also contributes to Australia's international relations, not only through dedicated visas for AusAID and Defence students, but also through the creation of links with students who return home with an Australian education and experience of Australian life. These relationships lead to a better understanding of Australia internationally and can develop into long-term connections for individuals and communities.

For these benefits to continue, Australia's international education sector needs to be internationally competitive. In an increasingly global world education is a highly sought after and valued commodity. There is a demand for quality educational experiences in English speaking countries from potential students seeking to improve their language abilities and gain a qualification that will assist them in developing their careers.

The sector grew rapidly between 2004-05 and 2008-09, when the number of student visas granted grew from around 177 000 to 320 000. The number of student visas granted to Vocational Education and Training (VET) students grew most dramatically, rising from around 25 000 to 104 000 over the same time period. Since 2008-09 however, the number of visas granted has declined from the peak of 320 000 to 250 000 in the 2010-11 year.

A range of factors have contributed to this decline, including the impact of market forces and previous reforms to the migration system. In addition, there is a common perception that it takes too long for students to obtain their visas and that visa requirements are too onerous for some applicants.

Market forces influencing competitiveness

As with many export businesses, Australian education providers have suffered from a tumultuous international economic climate. The Global Financial Crisis (GFC) and the strengthening of the Australian Dollar have had a material impact on the relative cost, and therefore competitiveness, of Australia's international education sector.

Between the start of 2009 and the end of 2010 the Australian dollar increased its value against the currencies of our main competitor countries, making Australian courses comparatively more expensive for international students. While the Australian dollar has recently experienced something of a decline in value, the ongoing effect of this period remain. In 2009 the closure of 16 education providers, primarily in the private VET sector, with little or no warning displaced 5 795 international students. A further 5 891 students were displaced in 2010 when another 33 providers closed. This resulted in significant negative publicity which, combined with damage to Australia's reputation flowing from international students' safety concerns, compounded the effects of a challenging economic landscape.

At the same time as these economic conditions put pressure on education providers, the sector faced increased competition from countries such as the United States, Canada, New Zealand, Singapore and Malaysia.

In the last couple of years, some American, Canadian and New Zealand institutions have started aggressively marketing to Indian and Chinese students, our two largest markets, and are actively targeting potential students from across the region. Some non-English speaking countries have introduced courses in English to attract international students. Countries like Singapore and Malaysia, which have historically been source countries for Australian education institutions, are now beginning to compete with Australia for students from other countries.

Impact of recent migration reforms

Previous reforms to the migration system have also impacted Australia's international student program. In particular, these reforms were introduced, as a first step, to improve the integrity of the Student visa program in light of increased evidence of non-genuine students applying for Student visas to access permanent migration outcomes. The reforms also sought to better target the skilled migration program to meet Australia's economic needs.

In August 2009 stronger integrity checks were put in place for student visa applications. These included much closer scrutiny of applicants from higher risk countries by DIAC officers. This initiative led to a substantially increased rejection rate for applicants from certain parts of some countries.

From 1 January 2010, the amount of living expenses which DIAC required applicants to have access to for each year of study increased from \$12,000 to \$18,000, to better reflect the cost of living in Australia. This further exacerbated the difficulties some applicants were having in meeting this requirement.

On 8 February 2010, the Australian Government revoked the Migration Occupations in Demand List (the MODL) and introduced a shorter, more targeted Skilled Occupation List (SOL) that better reflected the critical skills needed in Australia. This removed a key incentive that some students previously had for choosing to study in Australia. Prior to this, international students undertaking any course on the MODL had what many perceived as an almost guaranteed path to gaining permanent residence in Australia.

The risk management framework

The current regulatory framework for assessing student visa applications is based on five Assessment Levels (ALs) set out in the Migration legislation. The ALs serve as a risk management structure in the student visa program. They serve to align student visa requirements to immigration risk.

The AL system has been in place for a decade. It is structured on clear objective criteria and was designed to provide a degree of certainty to applicants. However, it has also been criticised as being blunt, overly cumbersome and complex for applicants. This concern, coupled with the length of time it can take to process a student visa for Australia compared to our competitor countries is the dilemma that the Government is seeking to address.

The Knight Review

On 16 December 2010, the Hon Michael Knight AO was appointed by the Minister for Tertiary Education, Skills, Jobs and Workplace Relations, Senator the Hon Chris Evans and the Minister for Immigration and Citizenship, the Hon Chris Bowen MP, to conduct a strategic review of Australia's student visa program to address these regulatory challenges. The review was designed to address a number of concerns with the program, as canvassed above.

The Knight Review's Terms of Reference were as follows:

With a view to enhancing the quality, integrity and competitiveness of the international education sector, as well strengthening the integrity of the Student visa program, examine and make recommendations on:

- 1. An effective partnership framework that considers the respective roles and responsibilities of key stakeholders, including education providers, the Department of Immigration and Citizenship (DIAC), the Department of Education, Employment and Workplace Relations, and state and territory education departments.*
- 2. The appropriateness of existing threshold requirements for Student visa applicants including English language proficiency, financial capacity and educational qualifications.*
- 3. Approaches to more effectively gauge and manage immigration risk in the Student visa caseload, including considering the suitability of the Assessment Level model.*
- 4. Approaches, including compliance measures, to prevent misuse of the program and deter breaches of visa conditions.*
- 5. The suitability of separate visas for Schools, Vocational Education and Training (VET), Higher Education, Postgraduate Research, AusAid or Defence, Non-award and Student Guardians.*

2. OBJECTIVES

The objectives of this proposal are to identify policy options for the student visa program that:

- position Australia's international education sector to maintain and enhance its competitiveness; and
- balance the management of immigration risk with the reduction of regulatory burden on business, including by providing greater business certainty.

These objectives define an important first step in making wholesale changes to improve Australia's student visa program.

3. THE IMPETUS FOR CHANGE

Defining the nature of the problem

As noted above, the competitive position of the Australian international education sector has come under pressure as a result of three broad sets of factors, including:

1. historical and external market forces;
2. the impact of previous policy reforms; and
3. an inflexible risk mitigation approach and overly complex visa policy arrangements.

Market forces, such as the GFC and the high Australian dollar, cannot be controlled by the Australian Government. The previous migration reforms remain necessary for broader economic and system integrity reasons.

Visa settings can provide a competitive edge

While Australia maintains its competitiveness in the global education market for a range of market reasons, certain changes to visa settings may improve the international competitiveness of Australian providers. In particular, policy changes which seek to streamline access to the student visa program or improve access to appropriate further visa options are considered to support international competitiveness.

The main differential between Australia's student visa system and those of countries such as the United States and the United Kingdom are the methods of processing new applications. For example, the US maintains its competitive edge by making visa assessments based on a short 'over the counter' interview with no right of appeal. In the UK, education providers are vested with more responsibility for applying a greater level of assessment to prospective students. A more comprehensive international comparison is at [Attachment 1](#).

A dated risk management approach

Australia's student visa program is managed using a risk management system of ALs which set evidentiary requirements for prospective students based on their assigned level of immigration risk which is calculated according to the sector of their intended study and their country of origin. The greater the immigration risk a student might pose, the higher the evidentiary requirements they will be asked to submit with their visa applications.

This system, put in place more than a decade ago, has not been flexible enough to respond to the evolving nature of immigration risk, nor has it been flexible enough to respond to changes in the Australian international education sector. As a result, the system may impose more onerous evidentiary requirements on genuine applicants and has the potential to allow non-genuine applicants to meet lower requirements because of the AL assigned to them based on their country of origin and sector of study.

The case for Government action

Government action can influence visa integrity and industry competitiveness. Furthermore, there may be scope to adjust the broader Student visa program to bring the Australian experience in line with the education package in competitor countries.

4. OPTIONS CONSIDERED

When the Ministers commissioned the Knight Review, the intention was to examine the program 'with a view to enhancing the quality, integrity and competitiveness of the international education sector, as well as strengthening the integrity of the Student visa program.'

These intentions largely align with the government's objectives in considering how best to address the issues outlined above and, as such, the 41 recommendations set out at [Attachment 2](#) seek to achieve these objectives. The recommendations can be summarised around the following themes:

- Providing certain university graduates, who have completed a bachelors or above degree at an Australian university, with post study work rights not associated with their field of study. These work rights would be an almost 'guaranteed' right.
- Options for simplifying access to student visas for low risk applicants, including streamlining visa processing for applicants intending to study a Bachelor's or above degree at an Australian university and changes to the threshold financial requirements.
- The introduction of a new element to the assessment criteria that the applicant is a genuine temporary entrant to Australia.
- That DIAC undertake a fundamental review of the Assessment Level framework currently used to manage risk in the student visa program.

In considering whether to implement these recommendations, it is important to consider the effect of maintaining the status quo, the implications of implementing the review as recommended and the value in looking at adopting some aspects of the review in conjunction with other approaches.

In assessing the risks and benefits of each option, effectiveness in achieving the stated objectives must be considered.

4.1 Do nothing - The status quo

In general terms, the option of maintaining the status quo can be assessed without considering the main themes highlighted by the Knight Review.

Maintaining the status quo would fail to improve international competitiveness and would effectively halt any progress towards a more agile treatment of immigration risk.

Recent research by Deloitte Access Economics and Universities Australia based on a financial survey of education providers suggest that total international student enrolments were expected to fall by 3.2% in 2011. The research also suggests continued falls in 2012 before a recovery from 2013. As well as the impact of recent policy changes, this also reflects the recent negatives of a high Australian Dollar and a flow-on from an expected further drop in English Language Intensive Courses for Overseas Students (ELICOS) commencements through 2011.

Costs: Applying the Deloitte Access Economics economic model, a reduction in both higher education expenditure by international students and the labour force reduces GDP by an estimated \$428 million in 2010. By 2015 the reduction in GDP is estimated to be approximately \$6.2 billion (2010 dollars) and recovering slightly to be \$6.1 billion in 2020 (the recovery expressed in percentage deviations from the reference case is much greater). In net present value (NPV) terms the reduction in GDP over the 2010 to 2020 modelling period is \$37.8 billion. Australian employment is also expected to fall through to 2020 because of a lower number of higher education enrolments. In 2010 the reduction in full time equivalent (FTE) employment numbers is estimated to be 5,314 and by 2015 forecasts a loss of 56,993 Full Time Equivalent (FTE) workers, recovering to 45,457 by 2020.

In other words, the impact of existing policy measures, economic factors, and the international education sector environment combine to present a somewhat negative outlook for the international student sector in Australia at least over the short term. These impacts are likely to occur in the absence of any further government policy changes.

Aside from economic factors, and somewhat separate from the objectives of these considerations, maintaining the status quo may also have a negative impact on the Australian community more broadly. For example, the Australian community will no longer enjoy the consequential benefits associated with the presence of high numbers of international students. Such benefits include improved bilateral links with student's home countries and increased tourism by the families of international students.

Benefits: Maintaining the status quo does not impose any new administrative costs on education providers. Decreasing numbers of international students may also be accompanied by a negligible decrease in pressure on some infrastructure.

Risk: That Australia loses its reputation as a key global provider of international education and that the management of risk in the student visa program is not able to adequately respond to changing trends in migration risk.

Options canvassed as part of the Review's recommendations

As the Knight Review Terms of Reference contained similar objectives as the ones addressed by this RIS, it is appropriate to consider the policy options available to government along the same themes which emerge from his recommendations.

Three key recommendations made by in the Knight Review address the issues of competitiveness and integrity. These recommendations can be grouped into two areas of possible policy reform. These are:

- Options to improve the competitiveness of the Australian overseas education sector, including expanded post study work-rights for international students and streamlining access for lower risk applicants; and
- Options which begin to take a more targeted approach to visa processing which is more clearly informed by immigration risk, such as the introduction of a 'genuineness' test and adjusting the financial requirements for student visa applicants.

By considering these recommendations alongside alternative policy options for achieving the same outcome, an effective analysis of the various policy options can be achieved.

4.2: Options relating to post study work visa options

DIAC's experience has been that increased availability of post study work rights for students is a factor in the decision to study in Australia. A significant proportion of the increase in student visa applications during 2004-09 is likely to be due to visa applicants seeking work options in Australia, either through a permanent migration stream or on a temporary basis. Providing greater access to post study work rights should, therefore, materially impact on the decision of prospective applicants and improve the competitiveness of the sector.

Generally, all primary student visas expire one month after the conclusion of the student's course. As the Knight Review notes, this is in contrast to most of the countries which compete with Australia that offer an automatic period of post study work rights for international students who successfully complete university studies.

At present, the major avenue for students seeking post study work options in Australia is the 18 month Skilled Graduate (subclass 485) visa. This visa option is however only open to students who have studied certain courses that are included on the Skilled Occupation List (SOL). Applicants for this visa are granted a Bridging Visa with full work rights while their application is processed.

Option 1 – Maintain existing post work visas arrangements

Maintaining existing post study options facilitates the effective management of immigration risk while providing employers with access to graduates with skills in demand over the medium to long term as defined on the SOL. However, this option does not improve the overall competitiveness of the Australian education sector.

Option 2 – allow post study visa options for all

Expanding the availability of work visa options to all student visa holders (including those who graduate with skills that are not included on the SOL) would certainly improve the competitiveness of the international education sector; however, it would pose a significant and unmanageable risk to program integrity.

Making such an option available to prospective students would provide a huge incentive to students seeking access to Australia as a student for work purposes rather than educational purposes, as occurred during the period of significant growth in the program throughout 2004-09.

Option 3 – allow targeted post study work rights arrangements

The post study work visa could be enhanced for low-risk cohorts. In particular, the visa could be expanded to include applicants that do not have an occupation on the SOL. The visa could also be granted for longer than 18 months.

Generally speaking, highly-qualified university students are more likely to return overseas after their studies and are more often genuinely seeking education rather than permanent residency. By definition, this group presents a low immigration risk.

Targeting higher qualified graduates for post study work rights therefore continues to balance improved competitiveness and program integrity.

The Knight Review, in recommendation four, suggests providing university graduates with two, three or four year post study work visas depending upon the level and duration of their Australian study. For example, certain undergraduates would be eligible to apply for a two-year Skilled Graduate (subclass 485) visa using a streamlined process, a graduate of a Masters degree by research will be eligible for a three year visa, and PhD graduates a four year visa.

To maintain the integrity of the Skilled Graduate (subclass 485) visa it will be important for the Government to retain the ability to adjust the application criteria based on the prevailing economic conditions and labour market. In particular, it is envisaged that one of the initial conditions of the visa could be that the applicant holds a satisfactory level of English.

Costs: There will be no costs associated with this option for either visa holders or universities.

Benefit: By further expanding post study work options for international students, there is greater incentive for eligible higher education students to select Australia as a study destination. Furthermore, longer period onshore provides greater certainty for employers looking to recruit international student graduates. This aligns with the government's innovation agenda.

Risks: There is a risk that some non-university higher education providers may experience a decline in enrolments in certain courses, if some students subsequently choose to study at a university.

Option 4 – no post study work visas

While the option of ceasing all post study work rights for students exists, this would appear to be counter to the intention and philosophy of the program. It would undermine the international competitiveness of the sector by taking away a key incentive for prospective students.

Some of the advantages of this approach, however, do include a further decoupling of the student visa program from the temporary and permanent skilled migration streams and a simpler administration of the program. While this would further reduce the incentives for non-genuine students to pursue study in Australia, it would similarly reduce the appeal of Australian study for the genuine students the sector is seeking to attract.

As this option does not meet the key objectives, no further analysis of the potential outcomes has been considered at this stage.

Selecting an option

Option 3 best achieves the stated objectives. This option can be expected to increase the numbers and proportion of students choosing to study at Australian universities and in particular the numbers choosing to study higher level degrees. The option would also see a greater number of highly qualified graduates temporarily enter the Australian labour market and allow greater control of that stream (through the administration of the Skilled Graduate (subclass 485) visa program).

4.3 – Options relating to streamlined access to the student visa program

Key criticisms of the student visa program from education providers and potential students relate to the perceptions of extensive delays for processing student visa applications, particularly in comparison with Australia's competitor countries.

Providing streamlined access arrangements for lower risk groups should materially impact on the decisions of potential students to come and study in Australia instead of with our competitors.

Option 1 – Maintaining the status quo process for certain low risk applicants

This option reflects current processes whereby applicants considered low migration risk (based on their sector of intended study and country of origin), such as AL 1 applicants, are afforded streamlined lodgement and reduced evidentiary requirements under existing student visa AL requirements.

As background, under the current framework, the evidentiary requirements for AL1 visa applicants are lower than those required from other groups and can often be met by providing information in the visa application form and a Confirmation of Enrolment (CoE) from an education provider. This makes the student visa application process for these students and for their proposed education providers a comparatively simpler process than that required for higher AL groups. A CoE is evidence from a provider that the provider has assessed the potential student as eligible to study a particular course at their institution and has offered them a place in that course.

Option 2 – Expand access to certain lower risk applicants from universities

This option would expand access to streamlined processing arrangements to certain lower risk applicants from universities. The current student visa legislative framework does not provide for a method to streamline a specific cohort of Student visa applicants within an education sector. This option would entail a new regulatory model to achieve this objective. The regulatory change would entail matching university students to passport country, education provider and qualification. This option would reflect processes whereby applicants from low risk countries are afforded streamlined lodgement and reduced evidentiary requirements, which is focussed on increasing the program's international competitiveness.

Costs: There are no mandatory costs associated with this option. It is not anticipated that Australia's major universities will need to make wholesale changes to their existing admissions processes as a result of this option. As there are no changes being applied to non-university education providers there are no costs associated with this option for this group.

Benefits: This option will increase the international attractiveness and competitiveness of Australia as a destination for international students wanting to study at an Australian university.

Risk: There is a risk that some non-university higher education providers may experience a decline in enrolments in certain courses where those students may now choose to study at a university.

Selecting an option

Option 2 best achieves the stated objectives. The expansion of access to streamlined processes for low risk students does not threaten the integrity of the program and continues to support education providers' international competitiveness.

4.4 – Options relating to the genuineness of applicants

Ensuring program integrity relies on an ability to triage applicants based on genuineness. Front loading this assessment is, therefore, key to ensuring the ongoing integrity management of the student visa program.

Option 1 – a subjective visa application

The introduction of an entirely subjective visa application framework would give DIAC decision-makers the discretion to consider a broader range of factors that go to the 'genuineness' of the application. This discretion would allow a more flexible, nuanced approach to managing immigration risk.

On the other hand, a fully discretionary visa assessment framework would place significant power in the hands of individual decision-makers and would be entirely inconsistent with the existing, more objective framework for assessing visa applications. It would provide little certainty about the likely outcome of visa applications and would be open to legal contest.

On balance, this option is not likely to improve the integrity of the system.

Option 2 - Genuine Temporary Entrant

The introduction of an upfront assessment of whether the applicant is a genuine temporary entrant directly addresses the principal intention of an applicant in coming to Australia. It would facilitate the consideration of a broader range of relevant factors within a defined, objective framework when assessing visa applications.

The criteria could be applied to allow DIAC the flexibility to use more rigorous assessment measures for applicants who pose greater migration risk, while applying a 'light touch' process to low risk applicants. It is broadly comparable to the framework successfully used to assess visitor visa applications.

Costs: There would be minimal administrative costs to Australian businesses and education providers from the introduction of an upfront Genuine Temporary Entrant criterion. These costs would relate to updating information to prospective student visa applicants about changes to visa requirements.

Benefits: It would also serve as a key integrity measure enabling DIAC decision-makers to focus their attention on processing applications from prospective students who have met the genuineness criteria.

The implementation of this recommendation is expected to discourage applicants seeking to enter Australia for purposes other than study. As such, it is likely to increase the overall quality of applicants choosing Australia as a study destination.

Implementing a more effective risk management tool before the prospective student enters the country will provide scope for future reforms that seek to relax other visa requirements.

Risks: There are no identified risks associated with implementing this recommendation.

Selecting an option

Option 2 best achieves the stated objectives. Enabling decision makers to make more targeted decisions which consider immigration risk as a first point assessment will discourage non-genuine applicants and allow DIAC to focus processing resources on more genuine applications.

4.5 – Options relating to financial requirements

Maintaining program integrity relies on making strong assessments of visa applications. Australia currently imposes more stringent evidentiary requirements on applicants from higher risk ALs in recognition of the need to apply greater rigour to the assessment of these applications.

DIAC determines the immigration risk posed by a potential student visa holder using a number of factors, including the prospective student's financial capacity. An applicant's inability to fund their studies suggests that they are not coming to Australia to study.

Student visa applicants are currently required to demonstrate that they have a level of funds that is sufficient to facilitate their studies. The level of funds that they must evidence is determined by the Assessment Level that applies to that applicant. Applicants from the high risk Assessment Level (AL4) must demonstrate sufficient funds to cover up to 36 months of their stay in Australia and a savings history of 6 months, while applicants from Assessment Level 3 must provide evidence of funds for up to 24 months.

Option 1 – maintain existing financial requirements

The existing financial requirements are effective in helping to ascertain the immigration risk posed by applicants who fall into higher risk cohorts. However, imposing such a requirement as a criteria for granting the visa is onerous for most applicants and does not account for those who may be able to raise further funds to study while in Australia (either through investment income or by working part time).

Option 2 – Reduce financial requirements

Given that other factors can be used to maintain immigration risk, such as the introduction of a Genuine Temporary Entrant criterion, one option would be to reduce the amount of funds for which the applicant must provide evidence.

After an analysis of the immigration risk posed by applicants from Assessment Levels 3 and 4, it was determined that the immigration risk posed by these applicants would continue to be manageable if financial evidentiary requirements for AL 4 applicants was reduced from 36 to 24 months and their savings history was reduced from six to three months; and evidence of funds for AL 3 applicants was reduced from 24 to 18 months. This would reduce the financial requirement by up to \$36,000 for an AL4 applicant and up to \$18,000 for an AL3 applicant.

Selecting an option

Option 2 best achieves the stated objectives as it works with the Genuine Temporary Entrant criteria and reduces the visa criteria for applicants, making Australia a more attractive study destination.

5. CONSULTATION

There have been consultations across the Commonwealth in the formulation of the government response to the report. These were informed by the results of the consultations undertaken by Mr Knight as part of the work of the review.

As part of the process for formulating the recommendations in the report Mr Knight released a public discussion paper on 3 February 2011 and received a total of 202 responses before the submission closing date in April 2011. The list of those making submissions is at Appendix Four of the Report.

During the course of the Review, Mr Knight consulted widely across the Commonwealth, including with departmental officials from the Department of Education, Employment and Workplace Relations (DEEWR) and the Department of Immigration and Citizenship (DIAC), representatives of the education sector, migration agents, union representatives and student representatives. Mr Knight also travelled to India, China and Malaysia, where he held extensive consultations with Australian officials, industry representatives, immigration officials from competitor countries and Chinese, Indian and Malaysian government Ministers and officials.

Of the major groups consulted during the review, views can be summarised as following:

Education Providers, including Higher Education, Vocational Education and Training, ELICOS and Schools - Education providers were generally concerned with the current visa requirements, in particular the high level of financial requirements. They also expressed concern with long visa processing times and current work rights arrangements – with some supportive of current limitations and others requesting the removal of any work limitation. Education providers also sought increased consultation from government and a number also raised the issue of permanent residence pathways for international students.

Foreign Governments - Foreign governments showed a strong interest in the welfare of and opportunities for their nationals studying in Australia. They were concerned about the high level of requirements for some countries and sought a more nuanced assessment of risk (not just based on nationality).

Australian Governments - State and Territory governments generally sought assurance that the student visa program would not be an impediment to international students coming to Australia. As with other stakeholders they expressed concern about the current risk framework and onerous visa requirements. They also sought increased consultation from the Commonwealth government.

International Students - International students, most of who were already studying in Australia, were specifically concerned about the student visa financial requirements, work rights and recent changes to the General Skilled Migration program.

Agents - As with education providers, agents were primarily concerned with the current visa requirements, considering them too onerous, and visa processing times. They also touched on work rights and permanent residence pathways.

Communications strategy

The proposed consultative mechanism for these changes is the Education Visa Consultative Committee (EVCC). This forum will be established as soon after the announcement of the government's response to the Knight Review and is proposed will meet four times a year. It will act as the primary means of regular two way communication between stakeholders in the international education sector and DIAC.

EVCC will be designed to provide a forum for sharing information on education related visas, emerging issues and trends in the international education sector that may impact on education related visas and operational initiatives regarding education related visas.

DIAC will be able to engage with key stakeholders on forthcoming changes to the student visa program while learning from those stakeholders about key issues and concerns in the sector. This information should provide a solid information base for considering the future needs of the sector. From time to time departmental and industry specialists will be involved as guest speakers.

The membership could include peak bodies, government representatives and other industry bodies.

6. CONCLUSION

In order to best:

- position Australia's international education sector to maintain and enhance its competitiveness; and
 - balance the management of immigration risk with the reduction of regulatory burden on business, including by providing greater business certainty,
- it is recommended that the government adopt:

Work rights

- Option 3 regarding the provision of targeted post study work rights.

Streamlined access

- Option 2 regarding expanding streamlined access to student visas to certain lower risk applicants from universities; and

Genuineness of applicants

- Option 2 regarding the implementation of the Genuine Temporary Entrant Criterion.

Financial requirements

- Option 2 regarding the reduction of financial requirements

Better regulation partnership

Under the Better Regulation Ministerial Partnership: Visa Simplification, a commitment has been made to:

- deliver a 50 per cent reduction in the number of temporary work visas by 2012;
- target a reduction of up to 50 per cent across all visas and visa subclasses by 2015.

Options proposed will be consistent with this commitment.

Attachment 1	Australia	Canada	New Zealand	United Kingdom	United States of America
Work options after graduation	<p>Can apply for a Skilled – Graduate (Temporary) (subclass 485) visa or a subclass Skilled – Recognised Graduate (Temporary) visa (subclass 476).</p> <p>The 476 visa allows recent graduates of selected overseas universities to gain up to 18 months of skilled work experience in occupations in demand in Australia.</p> <p>The 485 visa is for overseas students who:</p> <ul style="list-style-type: none"> - is under 50 years of age - in the last six months has completed an eligible qualification(s) as a result of at least two years study in Australia - has the skills, attributes and qualifications that meet the Australian standard for an occupation on the Skilled Occupation List (SOL). <p>Visa holders are able to live and work in any part of Australia and engage in any type of employment for an 18 month period.</p>	<p>The Post-Graduation Work Permit Program: graduates can obtain a three-year open work permit so that they can stay and contribute to the Canadian work force.</p> <ul style="list-style-type: none"> - Students are not required to have a Canadian job offer at the time of application; - Students have to have an existing work permit; - The program of study must have been for a minimum of two years; - If the program was less than two years but longer than eight months, the graduate can still obtain a work permit for the same duration as was the program of study; - Applications must be lodged within 90 days of final marks issued. 	<p>Graduate Job Search Policy allows a 12 month work visa if:</p> <ul style="list-style-type: none"> - successfully completed a course that qualifies for points under NZ skilled migration; - study permit ceased less than 3 months ago; - have at least NZ\$2100. <p>Study to work policy provides for a work permit valid for 2 years if:</p> <ul style="list-style-type: none"> - successfully completed a three year course that qualifies for points under New Zealand skilled migration; - have evidence of an offer of employment related to field of study; - hold a job search permit or study permit ceased less than three months ago. <p>The permit is valid for three years if it can be shown applicant is working towards professional registration.</p>	<p>Post-Study work category is a points based system in place until April 2012. The UK Government has announced the closure of this route to ensure that there is an improved selectivity of post study migrants to the UK.</p> <p>Only graduates from a UK university with a recognised qualification who have an offer of a skilled job from a sponsoring employer under Tier 2 of the points-based system will be able to stay to work.</p> <p>Under arrangements in place until April 2012:</p> <ul style="list-style-type: none"> - Student must have completed a bachelor degree or above qualification in the past 12 months; - Must have GBP800 if in UK or GBP2800 if outside UK. 	<p>F visa applicants – may apply for Optional Practical Training which allows 12 to 29 months stay. 29 months applies for science, technology, engineering or maths students.</p> <p>To be eligible for Optional Practical Training, you must:</p> <ul style="list-style-type: none"> - have been lawfully enrolled on a full-time basis for one full academic year; - currently be maintaining a full-time program of study and valid F-1 status; and - work in a job directly related to your major field of study. <p>F visa applicants can apply for an H visa (temporary specialty work visa) while training.</p>
When applications need to be lodged	In the last six months of completing an eligible qualification(s) as a result of at least two years study in Australia	Applications must be lodged within 90 days of final marks issued.	Within 3 months of study ceasing	Under new arrangements proposed after April 2012, the applicants student visa is valid for four months after completion of their studies if the course was longer than 12 months in duration, enabling them to secure sponsorship from a UK employer	
Language requirements	Must meet English language threshold of the competent English level	None	None	None	None

Attachment 1	Australia	Canada	New Zealand	United Kingdom	United States of America
Permanent Migration Options	<p>Points based system.</p> <ul style="list-style-type: none"> - Meet threshold age and English requirements - Nominate an occupation from Skilled Occupation list and have skills assessed. - Will need to meet 2 year study requirement in a CRICOS registered course(s). 	<p><u>Canadian Experience Class:</u></p> <ul style="list-style-type: none"> - Graduate of post-secondary education program of at least 2 years or a 1 year master's program and an additional year of education in Canada before admission into the master's program. - 1 year full time experience within a national occupational classification skill level. - Experience must be after graduation and within 2 years of application. - Meet English requirements <p><u>Permanent Resident: Canadian Federal Skilled Worker</u></p> <p>Points based system, skills assessment.</p> <p>Applications are assessed on, Education, Language Skills, Experience, Age, Arranged Employment and Adaptability.</p>	<p><u>Skilled Migrant Category:</u></p> <p>Points based system, skilled assessment.</p> <p>Applications are assessed on:</p> <ul style="list-style-type: none"> - Skilled employment (points can be awarded for 2 years) - Work experience - Recognised qualification - Age - Close family - Education (New Zealand qualification in a course of 2 years length) <p>Applicants must submit an expression of interest.</p>	<p>Open to apply for a further highly skilled worker visa, this can lead to indefinite leave to remain. Points based system, skilled assessment.</p> <p>Points for:</p> <ul style="list-style-type: none"> - Age - Qualifications - Previous earnings - United Kingdom experience 	<p>Possible, although not an advertised pathway.</p>
Links	<p>www.immi.gov.au/skilled/general-skilled-migration/485/eligibility-study.htm</p>	<p>www.cic.gc.ca/english/study/work-postgrad-how.asp#step1</p>	<p>www.visabureau.com/newzealand/graduate-job-search.aspx</p> <p>www.visabureau.com/newzealand/study-in.aspx</p>	<p>UK Tier 1 Post Study Work category www.ukba.homeoffice.gov.uk/working/intheuk/tier1/poststudy/</p> <p>UK Border Agency announcement of student reforms www.ukba.homeoffice.gov.uk/sitecontent/newsarticles/2011/march/54-student-visas</p> <p>UK Government Impact Assessment - Reform of the Points Based Student (PBS) Immigration System www.ukba.homeoffice.gov.uk/sitecontent/documents/policyandlaw/ia/reform-students-pbs/ia-students-.pdf?view=Binary</p>	<p>http://travel.state.gov/visa/temp/types/types_1268.html#14</p>

Knight Review Recommendations	
1	That a new element be introduced into the eligibility criteria for a student visa. That new criterion will be to assess whether the applicant is a genuine temporary entrant . This new criterion should be the first to be considered in assessing any application for a student visa.
2	A successful applicant must be both a genuine temporary entrant and a genuine student.
3.1	That all students in the categories set out below, irrespective of their country of origin – but subject to the provisions in 3.5, 3.6 and 3.7 should be treated as though they are all AL1.
3.2	This treatment should apply to the following university student applicants: <ul style="list-style-type: none"> • Bachelor Degree; • 2 plus 2 (or 3 plus 1) arrangements with partner universities; • Masters Degree by Coursework.
3.3	The special treatment should not apply to: <ul style="list-style-type: none"> • short courses; • Associate Degree; • Graduate diploma; • Graduate certificate; • Diploma and Advanced Diploma; • non-award courses (except as provided for in Recommendation 18); • the non-university courses at the six universities which are dual sector (VET and university).
3.4	The benefits should also apply to courses which are explicitly packaged with an eligible university course at the time when the offer of university enrolment is made. This might include English language (ELICOS) and/or foundation or pathway courses in circumstances where non compliance by the student at any part of the package would be regarded as non-compliance with the university enrolment.
3.5	The government should continue to require appropriate health checks, health insurance, character (predominantly criminal record/connections) and security checks.
3.6	The underlying DIAC powers in regard to every individual student application should continue to exist.
3.7	The government should also reserve the right to exclude certain high risk groups from the streamlined approach for university applicants. For example, the government might want to carefully assess all applicants from a persecuted minority group in a particular country. Applicants from such a group might have a huge incentive to apply for protection visas as soon as they reach Australia. The Australian Government may or may not wish to take such people on humanitarian grounds but that should be a separate decision and should not get mixed up with the process of granting visas for university students.
4.1	All graduates of an Australian university Bachelor degree, who have spent at least two academic years studying that degree in Australia, and who have complied with their visa conditions, should receive two years work rights.
4.2	All graduates of an Australian university Masters by Coursework degree, who have studied that degree in Australia, and who have complied with their visa conditions, should receive two years work rights on successful completion of their course.
4.3	This should apply irrespective of the nature of the course (for example whether it be Arts or Engineering) and not be tied to working in any particular occupation.
4.4	The mechanism for taking up these work rights should be administratively very simple with the following components: <ul style="list-style-type: none"> • the university must notify that the course has been successfully completed. (This will be earlier than the formal graduation which could be many months after the course has been completed);

	<ul style="list-style-type: none"> • DIAC should not undertake any detailed, time consuming, assessment of the applicant; • the scheme must be one which can be marketed by the universities to prospective students as almost guaranteeing post study work rights.
5	That all Higher Degree by Research (HDR) students – visa subclass 574 - be treated as though they are all AL1 applicants.
6	That where any English language or other preparatory course is required by the Higher Degree by Research provider then the whole package still be treated as AL1.
7	That all Higher Degree by Research students be given unlimited work rights.
8	Masters by Research graduates should receive three years post-study work rights and PhD graduates four years.
9	That the visa arrangements for Higher Degree by Research students be such that an extension for up to six months after submission of their thesis is available if needed during the interactive marking process.
10	That, provided the integrity measures relating to the revised criteria for a student visa are implemented (as set out in Recommendation 1), the threshold English language test requirements for stand alone ELICOS students be removed.
11	That the English language requirements for school students in AL4 be the same as those applying for AL1 through to AL3 and the associated waiver scheme abolished.
12	That the maximum period of time a school student visa holder can study English be 50 weeks across all ALs.
13	That the current restrictions on student guardians of a maximum of three months of study be maintained but unlimited part-time study rights for ELICOS study only be allowed.
14	That pre-paid homestay fees be included in financial assessments on the same basis as pre-paid boarding fees.
15	That as a matter of some urgency AusAID, DIAC, DOHA and other relevant Australian government agencies develop an integrated policy in relation to the award of scholarships and how visa arrangements for awardees are to be managed. In particular they should address the situation of potential awardees who have a disability or HIV.
16	That PhD students entering under the subclass 576 visa have access to the same extension provisions recommended for Higher Degree by Research students in Recommendation 9, provided AusAID is prepared to fund their extended period.
17	That DIAC and DEEWR meet with State education authorities to work out what can be done to avoid the situation where a visa for a child dependent cannot be granted until proof of enrolment is present and state education authorities will not grant such proof until proof of visa grant is made. Any agreed remedy should apply across all student visa subclasses.
18	That students coming for semester or year long non-award courses at an Australian university as part of their home universities degree and/or as part of an agreed student exchange between universities be given access to streamlined processing as outlined in Recommendation 3.
19	That DIAC undertake specific research targeted at integrity and compliance issues into student visa outcomes, including both primary and secondary applicants, to inform policy development.
20	That DIAC be appropriately funded to further develop research capability across the program.
21	That DIAC, to the extent permitted by legislation, co-operate with its counterparts across all levels of government to facilitate information sharing, to inform evidence based decision making.
22	In the event that the research over the next 12 months reveals systemic abuse of dependant (secondary applicant) visas, that the government seriously consider mirroring the recent UK policy and restrict dependant visas to Masters and above courses unless the primary applicant is sponsored by a

	government.
23	Current arrangements whereby SCVs automatically become NCNs should cease. SCV information should continue to be conveyed to DIAC who should use it as an input into a more targeted and strategic analysis of non-compliance.
24	Automatic cancellation of student visas should be abolished and replaced by a system in which information conveyed by SCVs is used as an input into a more targeted and strategic analysis of non-compliance.
25	The mandatory cancellation requirement for unsatisfactory attendance, unsatisfactory progress and working in excess of the hours allowed should be removed, giving DIAC officers the discretion to determine cancellation in particular cases on their merits.
26	DIAC should concentrate its compliance and integrity resources in relation to student visas on the highest risk areas.
27	DIAC should not only respond to information generated by PRISMS but also be proactive in detecting the sorts of breaches (for example sham marriages and exceeding permissible work hours) which are not reported in PRISMS.
28	That student work entitlements be measured as 40 hours per fortnight instead of 20 hours per week
29	That the necessary legislative changes be made to require the name of any agent involved to be entered into the student's data into PRISMS.
30	That DEEWR take steps to encourage providers to voluntarily enter agent data into PRISMS in the interim before the ESOS Act is changed to make this mandatory.
31	That DEEWR and DIAC establish a single student identifier to track international students through their studies in Australia.
32	That DIAC undertake a review of the AL framework, with a mind to either abolishing the system entirely or modifying the framework to make it relevant to current and future challenges facing the student visa program. This review should be managed by DIAC but should include reference to an external panel or reference group.
33	That DIAC upgrade its liaison at overseas posts with migration and education agents in relation to the student visa program, including regular meetings to keep agents abreast of any changes in rules and procedures.
34	That Austrade be asked to prepare a more detailed outlook document that provides effective business planning intelligence demonstrating the opportunities, for offshore provision of vocational education.
35	That the highest quality Australian VET providers including TAFEs, be encouraged to explore offshore market opportunities.
36	That the Australian Government, through programs such as the Export Market Development Grants Scheme and other forms of assistance, support high quality Australian vocational education providers in expanding their offshore training services.
37	That DIAC constitute an Education Visa Advisory Group as a primary means of regular two way communication between stakeholders in the international education sector and DIAC.
38	That the policy regarding Pre-Visa Assessment (PVA) be discontinued.
39	That student visas be allowed to be granted in advance of four months before the commencement of the relevant course. Where necessary visas should specify a date before which the holder cannot enter Australia.
40	That DIAC regularly reviews the current living cost amount, and based on the CPI or other measure amend the amount, as required.
41	That DIAC review the exclusion criteria and policy which relate to student visa non-compliance.