

The top half of the cover features a vibrant, composite image. The central focus is a view of the Earth from space, showing blue oceans and green continents. A rainbow is visible on the left side of the globe. A modern city skyline with various skyscrapers is superimposed on the right side of the Earth. In the upper left, a commercial airplane is shown in flight. In the upper right, a biplane is flying. The background is a bright blue sky with a large, glowing sun in the top right corner, creating a lens flare effect. The entire image is framed by dark blue geometric shapes in the corners.

Response to the Department of Immigration and Border Protection Policy Consultation Paper on Australian Visa Reform

Visa Simplification: Transforming Australia's Visa System

15 September 2017

Executive Summary

The University of Melbourne welcomes the opportunity to provide a submission in response to the Department of Immigration and Border Protection's Policy Consultation Paper on Australian visa reform.

The review of Australia's current visa framework is timely to ensure the visa regime is responsive to Australia's economic, social and security interests. To achieve a simple, transparent and efficient visa system, which complements the national interest, the University recommends an approach capable of responding flexibly to a globally connected economy and contemporary work arrangements.

Australia has led the world in removing tariff and behind the border barriers for trade in goods. Comparable progress for the services industries is also required. Australia's visa framework could be improved to better support an open knowledge economy where global mobility and knowledge exchange are critical to ensuring the high performance of the Australian economy, including attracting the best and brightest minds from around the world to settle and work in-country. While our submission focuses on the higher education sector, the issues identified are shared across all sectors where knowledge workers are employed, as they are part of a globally mobile workforce.

The higher education sector typically recruits from a global and mobile workforce. In particular, the employment market for senior leaders and postdoctoral fellows is strongly international. This market is also characterised for the most part by senior workers, acknowledged for their expertise - commonly workers over the age of 50. While international mobility forms an accepted part of the trajectory of a well-established academic, pathways to permanent residency remain important drawcards in an increasingly competitive marketplace.

The University of Melbourne is also invested in regional development through research partnerships and sponsoring. In this context, academics from developing nations are selected as temporary or short-stay visitors, working to build capacity for return to their countries. Given the temporary and short-term nature of these appointments, significant delays in visa approval times can potentially jeopardise this arrangement and the University's relationship with higher education institutions abroad.

The recent abolition of the Subclass 457 Visa and subsequent introduction of two new Occupation Lists had a direct impact upon the University, specifically with respect to the recruitment and retention of university staff. The experience demonstrated the relationships between the nation's visa regime and the global nature of academic work and its importance to Australia's innovation and research effort. Unintended consequences have been addressed for academics through the Skilled Occupations Lists. However, the revisions overlooked the need for the sector to be able to recruit senior professional staff with skills sets not always readily available in Australia and where international experience can boost the local skills base in areas such as Advancement and Engagement.

The current visa regime can be improved to:

- remove administrative costs and delay;
- build in greater flexibility including streamlining entry and exit requirements;
- more timely offshore processing times; and
- greater flexibility to accommodate the types of visa holders in the academic workforce, including around salary caps and age limits.

In light of reforms to Australia's student visa framework in 2016, we suggest that student visas be out of scope of this review and instead time be allowed for the changes to take full effect.

For further information, or to discuss our submission, please contact Dr Julie Wells, Vice-Principal Policy and Projects at julie.wells@unimelb.edu.au or on (03) 8344 2639.

The visa regime and the higher education sector

Australia's visa system can be improved to better support an open knowledge economy where mobility and knowledge exchange are critical to ensuring the high performance of Australian universities on the world stage. Further, it must appropriately respond and cater to the nature of academic work. To be competitive, and to safeguard Australia's position as an attractive destination for the best and brightest workers, Australia's visa framework should reflect current work arrangements found in the higher education sector.

This requires a framework that recognises the diverse range of university appointments, be it the recruitment of early career academics, short-term visiting professors, conference attendees, senior professional staff or academics undertaking joint appointments at two institutions. Flexible visa arrangements also extend to outbound knowledge exchange – the reaching out to developing nations as part of a global citizenship duty to transfer research and teaching and also the mobility of Australian researchers and academics seeking to build their careers overseas.

The Government has already in part recognised the needs of the sector. On 30 June 2017, Minister Dutton announced revisions to the Temporary Skill Shortage Visa where university lecturers, faculty heads, managing directors, and biotechnologists where just some of the occupations moved from the Short Term Skilled Occupation List (STSOL) to the Medium and Long-term Strategic Skills List (MLTSSL).

The University of Melbourne estimates that 580 people employed by, or associated with the University, hold 457 visas. As at September 2016, 1,980 people in Australia were employed under the category of 'university lecturer'. The higher use of 457 visas by the university sector reflects the fact that, unlike industries more susceptible to fluctuations in the economy, demand for international workers in higher education is consistent – reflecting the dynamics of a highly skilled, specialised, and globally mobile workforce.

University of Melbourne Case Study 1

The ARC Centre of Excellence for Gravitational Wave Discovery (OzGrav) is a centre funded by the Australian Government through the Australian Research Council and supported by leading Australian universities, and other collaborating organisations from Australia and overseas.

OzGrav, through the University of Melbourne's School of Physics, recently recruited for three postdoctoral positions to fill vacancies in computing, astrophysics and data with specialist skills in gravitational wave science. A shortage of these specialist skills in Australia meant that an international search was necessary. Gravitational wave science is an international endeavour, involving approximately 1,000 scientists from across the world in a project valued at more than \$500 million.

Building knowledge in this area of science is an international collaborative effort. Currently, high precision detectors, which make gravitational wave discovery possible, are located in the United States and Italy, with more expected to be built in Japan and India. Australia contributes its skill base to the project when Australian PhDs with expertise in laser, quantum measurement and astrophysics are employed by institutions and research groups based overseas. Likewise, Australia benefits from the international recruitment of PhDs trained overseas. These highly skilled recruits not only contribute to the project by providing skills that are in shortage, but also enrich student experience through knowledge exchange and teaching.

International research collaboration, and the recruitment of academic talent from overseas is necessary in maintaining the University's reputation as a leading research institution and ensuring that Australia continues to contribute to scientific discovery.

The market for senior leaders and postdoctoral fellows is particularly international. Consequences of the Government's changes to the skilled visa framework could be to prevent or deter talented individuals from gaining employment with Australian universities.

The revisions also overlooked the need for the sector to be able to recruit senior professional staff with skills sets not always readily available in Australia. Universities employ a number of professional staff in occupations that are no longer covered by either of the Occupation Lists - the category of *Policy and Planning Manager* is an example of an occupation that has been removed from the list. International experience, particularly in the higher education sector, can boost the local skills based in areas such as Advancement and Engagement.

Changes to residency pathways may also create unintended consequences. Academics employed under a visa scheme without access to permanent residency may be excluded from access to grant funding which requires the academic to be an Australian citizen or permanent resident. These changes will limit the academic's supervision development opportunities while also restricting the sector's capacity to supervise graduate research.

University of Melbourne Case Study 2

The Melbourne Law School had arranged for a leading academic to visit the University of Melbourne as a Visiting Scholar with the Centre for Comparative Constitutional Studies. This academic is a world leader in his field and had elected to undertake his sabbatical at Melbourne over a prestigious US Ivy League university – a significant coup for the Law School.

The agreement was predicated on the academic being able to supplement his research while at the University with fractional teaching in the Melbourne Law Masters and Juris Doctor degree programs. This teaching would make the sabbatical financially viable for his family as well as allowing the University to fully capitalise on his presence by giving its students the opportunity to benefit from his expertise.

Australia's visa framework makes it difficult for foreign academics to simultaneously participate in research while also undertaking paid fractional teaching. To remain compliant, the academic in question would be required to leave Australia multiple times during his appointment to swap visas. The academic subsequently advised that the visa requirements presented too great a financial and administrative cost – forcing him to decline the University's invitation, which was detrimental to the Law School's research and to students in the Masters and Juris Doctor programs.

Research is a people enterprise that requires years of careful training. Part of maintaining the University's reputation as a leading research institution is ensuring that the University is a destination of choice for the most talented scholars in the world.

University of Melbourne Case Study 3

In 2016, the Melbourne School of Engineering recruited an advanced wireless communication technologies specialist. He had completed his undergraduate degree in Sri Lanka before going on to study a Masters degree in Thailand, and finally completing his PhD in Alberta, Canada. The academic's trajectory is a story of success built upon global mobility. In Australia, he works as part of a team investigating the design of future wireless technologies, completing breakthrough research publishing in esteemed academic journals, and co-supervising PhD students. Last year, the academic was awarded a prestigious Australian research award. This case study is one of the many examples of where international recruitment leads to local achievement and a positive contribution to Australia's research effort.

The University is, however, invested in more than internal recruitment. As part of the University's engagement strategy a focus on international engagement is integral to securing the University's international ranking. International engagement involves more than promoting student mobility. It sees the university engaged in knowledge exchange programs where academic visitors from developing nations visit the University on a temporary basis to build capacity.

These visitors are not necessarily leading academic figures in their fields (in international terms) but they are potentially highly influential in their own countries and institutions. Australia's current visa regime can at times make it difficult to secure timely visa arrangements for such visitors where delays in processing can potentially jeopardise these visits and have adverse effects on relationship building.

Relationship building has also been strained by the reforms to the subclass 401 and 402 visas. The introduction of the Training visa (subclass 407) and Temporary activity visa (subclass 408) has created added administrative burden and processing delays, with approval time for nominations under the subclass 407 visa taking an average of four months. In the long term, delayed processing times for short-term visits may prevent visitors from fully engaging with Australian universities and, in doing so, limits a university's capacity to promote staff exchange arrangements, professional development programs, regional capacity building and other research-specific activities.

University of Melbourne Case Study 4

In 2016, the Melbourne School of Engineering advertised for a position on the University of Melbourne careers website. The position sought was for a Research Fellow (Level B) in electrical engineering. After one month, the strongest candidate, based on PhD qualifications, expertise, and experience, was a Chinese national. An offer was made to the candidate in November 2016 for commencement in June 2017. The Employer Nomination for a Temporary Work (Skilled) visa (subclass 457) was approved in January 2017 and the candidate lodged their application by 17 February 2017. The Department then contacted the appointee to advise that further supporting evidence was needed to process the application, including a medical examination and proof of English proficiency. The appointee was unable to provide proof of English proficiency until May 2017, at which point the application was finalised and decision-ready.

The appointee did not receive an outcome from the Department by the job commencement date. The offer was subsequently extended twice, each time postponing the job commencement date by one month, with the appointee to start no later than 24 August 2017 at which point the offer would not be extended further due to research project requirements. The visa application was not approved by the Department within the extended time frame resulting in rescission of the offer, and reimbursement of \$1,500 by the university, for costs incidental to the visa application.

Further to the difficulties with academic recruitment and external engagement, Australia's visa framework may also potentially impact upon the University's international rankings. International university rankings rely, in part, on a diverse and international talent pool working at an institution. At the University, approximately seven per cent of the total workforce is employed by way of a 457 visa. Visa restrictions which could potentially prevent the free flow of global talent and thereby reduce a valuable source of academic capability would inevitably impact Australia's university rankings. For example, some rankings include measurement of the level of 'internationalisation' of the academic workforce. Many Australian universities report high levels of international staff in the QS Rankings – ANU (58%), UQ (59%), and Melbourne (45%). This compares with highly ranked overseas universities as follows: Harvard (30%), Berkeley (42%), MIT (56%), Oxford (44%), and Cambridge (41%).

With respect to proposed changes to visa eligibility criteria, including for example, the proposed introduction of a minimum of two years' work experience, the University supports the Minister's decision to recognise that holding a PhD will satisfy the work experience requirement. Likewise, the University supports the Department's six-monthly review of the Occupation Lists. This mechanism for review provides the needed flexibility to remove, revise and add occupations to the lists. However, the recent experience with visa changes demonstrated that sufficient lead time should be allowed to ensure visa holders and those with applications lodged are not retrospectively affected.

Ministerial Advisory Council on Skilled Migration

Australian higher education is a \$22 billion industry, supporting an estimated 130,000 jobs. As a leading export industry, sector representation on the Ministerial Advisory Council on Skilled Migration would ensure that Australian higher education, with its profitable international student market and the international standing of the sector, is appropriately recognised and involved in advising on Australia's visa regime. Greater cross-industry representation will also work to ensure that the right policy settings are realised – optimising Australia's productivity and economy.

Skilling Australians Fund

Under the new Temporary Skill Shortage (TSS) visa, employers with an annual turnover of more than \$10 million will be required to pay \$1,800 per year per visa holder. Employers of applicants applying for Permanent Residency via a 186/187 visa will also be subject to the levy in the form of a one-off fee of \$5,000, payable in full to the Skilling Australians Fund at the time the foreign worker is nominated. This proposed levy will have significant financial implications for the University, costing more than \$1 million annually.

While the University supports the Government's renewed focus on skills training, the practical working arrangements of the Fund remain unclear. Money from the Skilling Australians Fund is to be directed towards vocational education and training, with a stated purpose of ensuring that "businesses that benefit from employing skilled migrants support training for Australians".¹ Universities, as research and training institutions already contribute substantially to the skilling of Australian workers. Visa holders are likely to be directly contributing to the education and skilling of Australians – the reason they have been recruited in the first place.

Expertise in the university and research sector is often unique to a particular individual in their area of academic leadership. For research-intensive universities, global recruitment in areas of cutting edge research is necessary in order to be a highly ranked university internationally and to provide the very best teaching possible. The benefits flow to the Australian economy and community. The review should consider suitable exemptions from the Skilling Australians Fund, including for the higher education sector.

In addition to the cost burden imposed by the Fund, the fees associated with visa applications also impacts university finances. Whereas universities were previously exempt, fees for the new TSS visas will cost the University of Melbourne upwards of \$1.825 million annually.

Student Visa System

The Student Visa system was streamlined in 2016 and early implementation challenges resulted in processing delays that had the potential to harm Australia's competitiveness as an international education destination. The University suggests that student visas be out of scope of this review to allow the 2016 changes to be fully implemented and to provide certainty for potential students and agents.

Student post-graduation work rights should be retained at four years to preserve Australia's competitiveness in attracting high quality students and retaining them to contribute to Australia's economic development.

We also note there are variable visa processing times for different student sectors. While a key goal should be improving the efficiency of visa processing overall, maintaining these sector distinctions will ensure that processing times for applicants in lower risk sectors are not adversely impacted. Likewise, while the student visa reforms sought to reduce processing times and improve the application procedure, we have found that students continue to struggle when navigating the online lodgement process, and have difficulty responding to and addressing the integrity measure criterion.

¹ <https://www.education.gov.au/skilling-australians-fund>

Driving Research Commercialisation

A visa system which supports global mobility and knowledge exchange within the higher education sector will also support greater university-led research translation and commercialisation efforts. The Government has acknowledged the importance of greater collaboration between university and industry. Equally important is global institutional partnership. Asia's continued rise as a centre of economic and geopolitical influence creates an opportunity for Australia to act as a driving force in the research space and to better engage and position itself as a strategic partner.

Australia is still in the early stages of building innovation ecosystems and shaping a national culture that embraces entrepreneurship. For the Australian economy to function optimally, it must continue to produce world-leading research, turn more public research into commercial outcomes, and generate high levels of business research and development. Critical to this development strategy, however, is the capacity to recruit from a global talent pool, and to ensure that leading minds consider Australia as their destination of choice. To achieve this objective, Australia's visa system needs to be appropriately open to a globalised academic workforce, and responsive to the recruitment of senior professionals whose knowledge and experience will ultimately benefit both the higher education sector and Australia's economy.

Summary of Recommendations

Visa regime to support mobility for knowledge workers

Any future simplified visa system should work to facilitate the international mobility of knowledge workers. Global mobility guarantees access to foreign knowledge and expertise while broadening and strengthening local skill development, research capacity, and expertise. To support this objective, and preserve Australia's reputation for research and teaching excellence, Australia must remain open to the permanent and temporary migration of both academic and professional staff.

Remove administrative costs and delay

Australia's new visa regime should ensure that administrative complexities, costs and delays are kept to a minimum. High administrative costs and long processing times have the potential to make Australia less attractive as a destination for top international talent.

A responsive and flexible visa system will ensure that Australia continues to enjoy its reputation as a world leader in the higher education sector, while also bolstering Australia's contribution to the global knowledge economy.

Build in greater flexibility including streamlining entry and exit requirements

The new visa system should be flexible, streamlined, and responsive to current work arrangements in the higher education sector. Unlike other industries more susceptible to fluctuations in the economy, global mobility is a fundamental feature of the academic workforce.

A simplified application process that provides applicants with needed clarity and certainty will go a long way toward building relationships with international institutions, and ensuring that Australia continues to play an important role in international collaborative research, which is particularly critical to scientific discovery.

Greater flexibility will also support university-led initiatives that seek to contribute to the capacity and well-being of international communities and institutions through teaching, mentoring and engagement.

Greater flexibility to accommodate the types of visa holders in the academic workforce, including around salary caps and age limits

Measures or exemptions should be introduced to allow greater flexibility in the recruitment criteria available to the higher education sector, including the sector's capacity to recruit senior academics and leading professional staff. Restrictions and additional difficulty for Australian universities with respect to imposed age limits may work to dilute the strength and excellence of the higher education sector workforce. This is particularly the case in highly specialised areas where there is a genuine skills shortage.

Review the Occupation Lists

The Occupation Lists should be reviewed to ensure categories relevant to securing overseas talent are suitably captured. The category of *Policy and Planning Manager* is an example of an occupation that has been removed from the list but that is one part of a diverse recruitment pool for Universities.

Sector representation on the Ministerial Advisory Council on Skilled Migration

As a \$22 billion leading export industry, providing on-shore education, the Australian higher education sector should be represented on the Ministerial Advisory Council on Skilled Migration.

Skilling Australians Fund

Exempt the higher education sector from a requirement to pay levies to the Skilling Australians Fund, including for the higher education sector.

Defer review of Student visas

Student visas be out of scope of this review to allow the 2016 changes to be fully implemented and to provide certainty for potential students and agents