



INDEPENDENT  
HIGHER EDUCATION  
AUSTRALIA

# **IHEA SUBMISSION**

## **JOINT STANDING COMMITTEE ON MIGRATION INQUIRY INTO THE VALUE OF SKILLED MIGRATION TO AUSTRALIA**

5 January 2026

## IHEA Submission

# Joint Standing Committee on Migration Inquiry into the Value of Skilled Migration to Australia

Independent Higher Education Australia (IHEA) welcomes the opportunity to provide input to the Joint Standing Committee on Migration Inquiry into the Value of Skilled Migration to Australia, for which submissions are due by 5 January 2026.

### Introduction

Skilled migration is vital to Australia's economic growth. It boosts productivity, fills critical skill shortages in sectors such as Information Technology (IT), health and construction, offsets the impacts of an ageing population, and expands labour supply. These contributions generate significant economic dividends, increase tax revenue and raise living standards by bringing in qualified migrants and fostering innovation that domestic training cannot always produce quickly enough.

Research demonstrates that skilled migrants are often younger, more educated and contribute more economically than they consume in services, hence, producing a net benefit for the nation. For example, the Australian Treasury's 2021 Intergenerational Report indicates that under its "proportional migration" scenario (maintaining net overseas migration at 0.82 per cent of the population beyond the medium term), the level of real GDP in 2060–61 would be roughly 4.7 per cent higher than under a no migration scenario, primarily due to an increased working age population. Real GDP per person is also projected to increase by 0.4 per cent over the same period.

### International education as a skilled migration pipeline

International education serves as a critical source of skilled migration. It is both a key services export and an enabler of human capital development, people to people connections and enduring international partnerships. Students choose to study in Australia for high quality education, competitive costs and life experiences, supported by the reputation of Australia's tertiary education providers.

In addition to enriching students' lives, international education delivers substantial economic benefits. In 2024–25, international education contributed \$53.6 billion to the Australian economy, making it Australia's fourth largest export and the largest services and non–resource export. It also supported approximately 250,000 Australian jobs, with international students often undertaking part–time work in sectors including aged care, early childhood education, hospitality, tourism and retail.

The relationships formed through international education underpins future collaborations and contributes to a pipeline of skilled migrants. These students are pre–screened, earn Australian qualifications, often work in areas of demand and skills gaps during their studies and are culturally integrated before they permanently settle.

### Pathways from study to skilled migration

The Australian visa system provides clear pathways for international students to transition to skilled migration. Students can move from a student visa to a Post Higher Education Work Visa for higher education graduates (Temporary Graduate visa) and then to a skilled visa. This pathway provides Australia with a reliable source of high–quality graduates that align closely with labour market needs. This is because graduates already hold Australian qualifications, have lived and worked locally and meet English language and employability standards/requirements. This means they have an advantage in being able to transition into skilled roles faster and more successfully than many offshore entrants.

Additionally, migrants who study in Australia develop Australian work experience, professional networks, and cultural familiarity, making them ready for entering the workforce, as they are likely to have completed

placements, internships or supervised practice in local workplaces, which reduces employer risk and enhances long term employment outcomes.

### **Recommendations to strengthen skilled migration through international education**

Australia can strengthen its pipeline of highly qualified skilled migrants through removing barriers to international education and on providers who enrol them. There are three key actions that can be undertaken.

#### **Reduce student visa application charges**

The student visa application charge, which was increased from \$1600 to \$2000 on 1 July 2025 should be reduced by at least 50 per cent, which would still be 40.8 per cent higher than it was on 30 June 2024 (\$710). This will encourage students to apply for Australian student visas. The lower financial barriers can make studying abroad a more accessible option for a broader range of students and put an appropriate and more relevant focus on the quality of students applying, who should be assessed on their merits and aptitude as tertiary students.

It would also make Australia competitive with other major destinations for international students, whose fees are significantly lower (~\$A167 in Canada; ~\$A285 in the United States of America; and ~ \$A1017 in the United Kingdom). Lowering the student visa application charge will restore Australia's competitiveness as a destination by reversing the decline in demand that occurred in 2024 25 (15 per cent in higher education and 26 per cent overall).

#### **No soft caps for international students**

There are other barriers that Australia should remove for international students. While the Government has sensibly not pursued hard provider level caps on New Overseas Student Commencements (NOSC), "soft" caps that are tied to visa processing remain. However, the continuation of these soft caps perpetuates an unnecessary impediment to international students who wish to study in Australia. Removing them will eliminate potential visa delays and enhance Australia's attractiveness as a study destination and ensure smooth access for potential skilled migrants.

#### **Support post study work rights for graduates in priority areas**

Pathways for highly skilled graduates should be actively supported. Previously, the Government did so by extending post study work rights for international graduates from 1 July 2023, which provided graduates with degrees in select areas of verified skill shortage an additional two years on their Temporary Graduate visa (subclass 485). These were promptly reversed when the Migration Strategy was released on 11 December 2023 as part of a broader approach to reduce migration numbers by cutting international student numbers. Restoring these post study work rights under the renamed Post Higher Education Work Visa for higher education graduates will support Australia's labour market needs and retain highly skilled international graduates.

### **Conclusion**

International graduates who settle in Australia strengthen the nation's human capital in emerging and globally competitive industries. Their journey begins with studying at an Australian education provider and all barriers to this pipeline for skilled migration should be removed. By fostering international education, maintaining clear migration pathways and ensuring a welcoming and competitive environment for students, Australia can enhance productivity, sustain economic growth and secure long term prosperity.

## Who We Are

Independent Higher Education Australia Ltd. (IHEA) is a peak body established in 2001 to represent Australian independent (private sector) higher education institutions. Our membership spans independent universities, university colleges and other institutes of higher education, all of which are registered higher education providers accredited by the national higher education regulator, TEQSA or associate members seeking registration.

There is a long tradition of independent higher education providers in Australia, with the first provider created as early as 1815, only 27 years after the first British settlement in Sydney in 1788. In total, five providers were established between 1815 and 1845 and preceding the first public university. The fifth of these was St James College, which was created in 1845. The founders of St James College were then involved in creating Moore College in 1856 and remarkably Moore College, a University College, still exists and is Australia's longest continuously operating independent higher education provider.

Our Vision is that: students, domestic and international, have open and equitable access to world class independent higher education in Australia, built on the foundations of equity, choice and diversity.

Our Mission is to represent independent higher education and promote recognition and respect of independent providers as they contribute to Australian education, the Australian economy and to society in general. We achieve this by promoting continuous improvement of academic and quality standards within member institutions, by advocating equity for their staff and students and by delivering services that further strengthen independent providers' reputations as innovative, sustainable and responsive to the needs of industry and other relevant stakeholders in both higher education and vocational education and training. IHEA's commitment is to excellence, productivity and growth in independent higher education being delivered through a trusted Australian education system underpinned by equity, choice and diversity.

IHEA members have different missions, scales and course offerings across the full AQF range (Diplomas to Doctorates). IHEA has 87 higher education providers that are members, which rises to 124 if those providers' constituent colleges and subsidiaries are included.

IHEA's 87 higher education providers comprise:

- Five private Universities (Australian University of Theology, Avondale University, Bond University, Torrens University and University of Divinity).
- Six University Colleges (ACAP University College, Australian University College of Divinity, Alphacrucis University College, Excelsia University College, Moore Theological College and SAE University College).
- A further eight (Griffith College, International College of Management Sydney, Kaplan Business School, Marcus Oldham College, Morling College, Photography Studies College, The College of Law and Western Sydney University International College) self-accrediting institutes of higher education (nineteen in total including the Universities and University Colleges described above).
- Seventy-one not-for-profit and for-profit institutions of higher education (which includes three self-accrediting institutes); and related corporate entities.

IHEA members teach approximately 74 percent of the students in the independent sector (i.e., more than 130,000 students) and educate students in a range of disciplines, including law, agricultural science, architecture, business, accounting, tourism and hospitality, education, health sciences, theology, creative arts, information technology, human services and social sciences.

IHEA holds a unique position in higher education as a representative peak body of higher education providers. Membership in IHEA is only open to providers registered, or seeking registration, with the Australian regulator – TEQSA. However, some IHEA members are dual and multi-sector providers who also deliver VET and/or English Language Intensive Courses for Overseas Students (ELICOS) courses.

### Contacts:

The Hon. Dr. Peter Hendy  
Chief Executive Officer  
Email: [Peter.Hendy@ihea.edu.au](mailto:Peter.Hendy@ihea.edu.au)  
Phone: 0418 679 911

Dr James Hart  
Chief of Policy  
Email: [James.Hart@ihea.edu.au](mailto:James.Hart@ihea.edu.au)  
Phone: 0418 694 680