We know about the 457. What about the 485?

IN THE first week of March, Julia Gillard promised “to stop foreign workers being put at the front of the queue with Australian workers at the back.” Her speech in Western Sydney provoked a testy and at times unsavoury national debate about whether temporary migrants on 457 visas were “stealing Aussie jobs.” Less than three weeks later, the federal government quietly changed the rules of another visa in ways that will enable thousands more temporary migrants to work in Australia for up to four years.

Alterations to visa subclass 485, the Temporary Graduate Visa, will make it easier for international students to stay in Australia after successfully completing their studies. The changes, which took effect on 23 March, allow students to obtain a two-year work visa if they study in Australia for at least sixteen months and complete either a bachelor’s degree or a masters by course work. Students who complete a masters by research can qualify for a three-year visa, while those who complete a doctorate get four years.

This is a significant increase on the previous limit of eighteen months. What’s more, applicants no longer need to be qualified for any of the jobs on the Skilled Occupation List – the government’s list of job categories deemed to be in short supply, which is currently dominated by health and engineering professions. Any graduate can get the 485 visa if they are under fifty years of age and have competent English, as long as their first visa to study in Australia was granted on or after 5 November 2011.

Introduced in 2008, the 485 visa was originally designed to allow international students graduating from Australian courses “to gain skilled work experience or improve their English language skills.” While that is still an aim, the broadening of the visa also serves to make studying at an Australian university more appealing in a competitive global education market.

The government promised to expand post-study work rights in September 2011, in response to a review of the student visa program by former NSW Sydney Olympics minister Michael Knight. The government commissioned the review after a sharp fall in international enrolments at Australian tertiary institutions, partly caused by the high Australian dollar and a series of violent attacks on overseas students. Also important, however, was a change in policy that broke the near-automatic link between studying in Australia and the right to permanent residency, which had been established under John Howard. With that carrot removed, enrolments fell as students went elsewhere.

Expanding temporary work rights was an attempt to regain lost ground. Knight stated plainly that an expanded work visa was essential to “the ongoing viability of our universities in an increasingly competitive global market for students.” Vice-chancellors also made the connection explicit. At the time, Glenn Withers, chief executive of Universities Australia, said that Knight’s “breakthrough” proposal was as good as or better than the work rights on offer in Canada and the United States.

With about 240,000 international students enrolled at Australian universities and colleges, it would be interesting to know whether there has been any modelling of the anticipated demand for the expanded 485 visa. The visa was proving popular even before the work rights were expanded: annual visa grants grew from about 15,000 in
2009 to around 38,000 in 2012, and by the last year there were some 38,000 graduates in Australia on the post-study visa.

It’s likely that tens of thousands more graduates are waiting for their 485 visas to be issued. If the current processing time of twelve months persists then the two-year post-study entitlement is, in reality, valid for three years, since graduates can live and work in Australia on a bridging visa while applications work their way through the system.

The 457 and the 485 visas have many features in common. In both cases, temporary migrants must have private medical insurance and are not eligible for any government benefits. But there are also some big differences, and these could make the 485 visa even more contentious if numbers continue to grow fast.

Unlike skilled workers on a 457 visa, international graduates do not need a firm offer of work from an employer. Nor must they find a job related to their qualifications or requiring a certain level of skill. While 457 visa workers must be paid at or above prevailing market rates, the temporary graduate visa has no minimum salary requirements.

If 457 workers are retrenched, they have just one month to find another employer to sponsor them into a skilled job at a similar level; otherwise, their visa expires and they have to leave the country. A 485 visa remains valid regardless of whether a temporary migrant is in or out of work.

So while the stated intention of the new policy is for international graduates to gain experience in their professional area of study, there is nothing to prevent them working in any job, anywhere. While the economy and the labour market are strong this may not be much of an issue. If unemployment were to rise sharply in a downturn, however, attitudes might well change – particularly if leading political figures start talking about foreigners stealing "Aussie" jobs.

As a backgrounder from the parliamentary library puts it, the effect of the new rules on the job market will be worth monitoring.