



RESEARCH ARTICLE

International Students' Labour Market Outcomes: Regulatory Constraints And Challenges

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Abstract

The international education sector is Australia's largest service-based export industry, making a significant contribution to our economy. International students also provide valuable labour during their stay in Australia and many become skilled migrants post-graduation. However, the current student visa conditions that limit international students' capacity to undertake work are also inhibiting their successful transition into graduate employment and their ability to secure permanent residency. They are required to navigate contradictions between the restriction on the number of hours of work they can undertake as an international student, and pathways to permanent residency, which are linked to the performance of work, following graduation. As a consequence, international students may be incentivised to breach their visa conditions and accept low skilled and poorly paid work after graduation. These incentivised choices contribute to poor employment outcomes for international student graduates, which risks undermining the international education industry. This article explores the nexus between work and education for international students studying in Australia, and the consequences of contradictory approaches to work in the student and residency visa schemes. It contends that addressing these factors would go some way to enabling international student graduates to secure work commensurate with their education and skill level, which would benefit international students, the higher education sector and the economy at large.

Keywords: international students; migration; employment outcomes; work integrated learning; internship; tertiary education

I Introduction

International education is an industry of critical importance to Australia. Since the conception of the Colombo Plan in the 1950s, the education of international students has transformed from a form of cultural exchange and foreign aid to a

highly regulated industry of great importance to the economy,¹ and a significant source of permanent skilled migration.² However, the economic and skilled migration benefits associated with international students studying in Australia are not *fait accompli*. Although Australia was one of the first countries to recognise the potential of education as an international export,³ the tertiary education market has become increasingly crowded.⁴ The growth of markets in Europe and North America competing directly with Australia has been accompanied by considerable new investment in domestic higher education in major source countries such as India and China.⁵

Despite growing competition in the global market, Australia has remained a desirable choice for prospective international students. In comparative terms, Australia has the second largest population of international students globally.⁶ In 2020, 40% of students graduating from Australian universities were international students.⁷ In the same year, the fee income received from international students was \$9.2 billion, which is approximately 27% of total university funding.⁸ These figures contextualise the importance of international student engagement in Australian education. Their engagement drives the composition of Australia's permanent migration intake,⁹ and funds research and the teaching of domestic university students.¹⁰ However, if these advantages are to continue, Australia must ensure it remains an attractive jurisdiction for international students.

¹International education is now Australia's fourth biggest export: Australian Chamber of Commerce and Industry, Submission to the Department of Education Skills and Employment, *Australian Strategy for International Education 2021–2030* (May 2021) 1. Tertiary courses remained the most significant type of education undertaken by international students; however, a growing proportion of international students are favouring Vocational Educational and Training (VET) qualifications when they apply to study in Australia: Jobs and Skills Australia, *International Students Outcomes and Pathways Study* (Final Report, August 2025) 22 ('Jobs and Skills Australia Report'). In this article the focus will, where possible, be on international students in tertiary education, however in some instances data sources do not distinguish between students enrolled in the university and VET sectors.

²Lesleyanne Hawthorne, 'Designer Immigrants?: International Students and Two-Step Migration' in Darla K Deardorff et al (eds), *The Sage Book of International Higher Education* (Sage Publications, 2012) 417.

³Grant Harman, 'New Directions in Internationalizing Higher Education: Australia's Development as an Exporter of Higher Education Services' (2004) 17 *Higher Education Policy* 101.

⁴Simon Marginson et al, *International Student Security* (Cambridge University Press, 2010) ch 3.

⁵Lesleyanne Hawthorne, 'Demography, Migration and Demand for International Students' in Christopher Findlay and William G Tierney (eds), *Globalisation and Tertiary Education in the Asia-Pacific: The Changing Nature of Dynamic Market* (World Scientific Publishing, 2010) 93.

⁶OECD, *Education at a Glance 2024: OECD Indicators* (Report, 10 September 2024), figure B4.5, 246 <<https://doi.org/10.1787/c00cad36-en>>.

⁷Bob Birrell and Ernest Healy, 'The Skills Crisis, University Culpability and the Overseas Student Industry' (Research Report, Australian Population Research Institute, December 2022) 1.

⁸Department of Education, Skills and Employment, *University Finance 2020* (Summary Information, 2020) 7.

⁹Martin Parkinson, Joanna Howe and John Azarias, *Review of the Migration System* (Final Report, 21 March 2023) ch 12 ('*Review of the Migration System*').

¹⁰Andrew Norton and Ittita Cherastidtham, 'Mapping Australian Higher Education 2018' (Report No 2018–11, September 2018) 58.

Although concerns have arisen regarding Australia's large intake of international students,¹¹ the language standards for graduates within this cohort,¹² the disproportionate intakes in certain fields with no domestic skills shortage,¹³ and the substantial dependence of universities on increasing enrolments of international students to fund research,¹⁴ those concerns are not the focus of this article. They are recognised as important critiques which require attention, but the focus here is on barriers preventing some international tertiary students from making a successful transition into Australian graduate employment commensurate with their skill level and education. Specifically, this paper is concerned with the extent to which the current regulatory framework disadvantages international students seeking to improve their chances of securing graduate employment by undertaking independently organised internships and completing elective work integrated learning ('WIL') courses during their university study. The challenging transition into the labour market was noted as a lost opportunity in 2023, in the Report of a national review into Australia's migration system, commissioned by the Government. The reviewers observed that '[i]nternational students do not perform as well as might be expected in our labour market'.¹⁵ The Review notes that outcomes are considerably worse for this cohort when compared with domestic students, as over half of international student graduates are employed in occupations in the lowest two skill levels despite being qualified for the top skill level.¹⁶

The purpose of this article is to explore the role of regulatory drivers in producing poor labour market outcomes for international university students after graduation. It

¹¹It is noted that the Australian Government announced an intention to cap international student at 270,000 in 2025: see Ministers of the Education Portfolio, 'Improving the Sustainability of International Education' (Joint Media Release, 27 August 2024) <<https://ministers.education.gov.au/clare/improving-sustainability-international-education>>. This announcement does not affect the arguments made in this paper and will not be further considered.

¹²See, eg, Helen Joy Benzie, 'Graduating as a 'Native Speaker': International Students and English Language Proficiency in Higher Education' (2010) 29(4) *Higher Education Research & Development* 447.

¹³Oxford Economics Australia, 'Higher Education Qualification Demand' (Report, July 2023) 39 <<https://www.education.gov.au/download/16708/higher-education-qualification-demand/35986/document/pdf>>. Note, however, that there is also evidence of consistent enrolment patterns of international students in higher education courses linked to skilled occupations included in permanent visa lists: Jobs and Skills Australia Report (n 1) 25.

¹⁴Birrell and Healy (n 7); Tess Bennett, 'Is it "Morally Sustainable" to Fund Research from International Students?', *The Australian Financial Review* (online, 30 August 2022) <<https://www.afr.com/work-and-careers/education/is-it-morally-sustainable-to-fund-research-from-international-students-20220830-p5bdul>>; Geoff Maslen, 'New Warning of Over-Reliance on Foreign Student Fees', *University World News* (online, 6 March 2020) <<https://www.universityworldnews.com/post.php?story=20200305085747259>>; Salvatore Babones, 'The China Student Boom and the Risks It Poses to Australian Universities' (Analysis Paper 5, Centre for Independent Studies, August 2019) <<https://www.cis.org.au/wp-content/uploads/2019/08/ap5.pdf>>.

¹⁵On 2 September 2022, then Minister for Home Affairs, the Hon Clare O'Neil MP, announced that a comprehensive review of Australia's migration system would be undertaken to ensure it better meets existing challenges and sets a clear direction for the coming decades. The reviewers presented the outcome of that to the Government on 21 March 2023: *Review of the Migration System* (n 9) 108.

¹⁶*Ibid* 109, figure 36.

argues the impact of migration rules and settings in facilitating or undermining international students' transition from education into graduate employment needs to be better understood and requires urgent attention.

The paper will commence in Part II by exploring the nexus between work and study for international students learning in Australia. Part III will consider the role that work experience has in facilitating the transition to graduate employment, while Part IV will consider the impact of visa limitations on international students' capacity to complete workplace learning and internships. In Part V, two aspects of the current migration policy which are affecting the labour market outcomes for international students are considered; state/territory nomination and employer sponsorship. It is contended that the visa conditions and the design of migration pathways are playing a role in inhibiting the successful transition of international students from education to work, to the detriment of the students and the economy more broadly. Finally, in Part VI, it is argued that addressing these factors would go some way to enabling international student graduates to secure work commensurate with their education and skill level. The article concludes with preliminary suggestions of mechanisms by which this could be achieved. While these proposals are preliminary, they are indicative of the types of reforms which would be of benefit to international students, the higher education sector and the economy at large.

II The Study/Employment Nexus for International Students

While international students may have myriad reasons for selecting an international education destination, a strong driver is immediate and longer-term prospects for employment. According to the 2024 Quality Indicators for Learning and Teaching ('QILT') Survey for International Student Experience, 83% of international students identified being able to work part-time during their studies as important towards their decision to select Australia as their education destination. In addition, 71% rated the possibility of migrating to Australia after graduation as an important reason influencing their destination choice.¹⁷ Tran et al note that 'international students have evolving expectations and place increased emphasis on post-study work experiences in the host labour markets and employability'.¹⁸ This suggests the existence of a strong nexus between study and employment, whereby students' capacity to undertake work while studying and post-study employment prospects contribute to decisions about where to study.

If international students decide to stay and work in Australia upon graduation from a university degree, Australia has the most generous post-study work rights in the world.¹⁹ Depending on their degree, international students can remain in Australia

¹⁷Social Research Centre, *2024 International Student Experience Survey* (Report, 2024) 41 <https://www.qilt.edu.au/docs/default-source/default-document-library/2024-ses-international-report.pdf?sfvrsn=a41e4d1c_3>.

¹⁸Ly Thi Tran et al, 'Post-Study Work for International Graduates in Australia: Opportunity to Enhance Employability, Get a Return on Investment or Secure Migration?' (2020) 18(5) *Globalisation, Societies and Education* 495, 496.

¹⁹Post-Study Work Rights Working Group, *Post-Study Work Rights Working Group Report to the Ministers for Education and Home Affairs* (Report, 2023) Attachment B. Although, it does appear that the current

on the Temporary Graduate Visa with unlimited work rights between two and three years.²⁰ International graduates with select degrees in areas of verified skill shortage can also access a two-year extension of post-study work rights. Introduced in 2013, this Temporary Graduate Visa affords some international student graduates the ability to live and work in Australia and forge connections with Australian employers in the pursuit of sponsorship for permanent residency.²¹ It is notable that providing work rights to international student graduates differentiates Australia from other major competitor countries for international students.²²

These generous rules regarding post-study work rights are not, however, reflected in positive post-study employment outcomes for international students. Those outcomes are, in fact, extremely poor.²³ According to one study, '[e]conomic inactivity, unemployment, part-time employment and education-job mismatch are prevalent amongst international graduates, as well as low job satisfaction and wage returns.'²⁴ International graduates of undergraduate and postgraduate coursework degrees are less likely than their domestic counterparts to be working at a managerial or professional level.²⁵ In

generous provision of post-study work rights may be curtailed. The commitment as set out in the Australian Government's Migration Strategy was to reduce the length of the Temporary Graduate Visa from three to two years for Masters by coursework students and from four to three years for PhD students: see Australian Government, *Migration Strategy* (Report, 2023) 67–9. However, some nationals may be eligible for extended stays. For example the Australia India – Economic Cooperation and Trade Agreement, which entered into force on 29 December 2022 provides for longer stays for Indian nationals (of up to 4 years for PhD graduates).

²⁰The Temporary Graduate Visa is the subclass 485 visa which provides a duration of two years for Bachelor degree graduates or coursework Masters, three years for research Masters or Doctoral graduates. Longer durations are available for some nations: <https://immi.homeaffairs.gov.au/visas/getting-a-visa/visa-listing/temporary-graduate-485/post-higher-education-work#About>.

²¹Department of Immigration and Citizenship, Australian Government, 'Government Response to the Knight Review of the Student Visa Program' (Media Release, 2011) <https://shanghai.china.embassy.gov.au/files/hkng/HOME_KnightReviewStudentVisa.pdf>.

²²This is frequently identified in websites promoting graduate study rights: see, eg, 'Post-Study Work Visa: The Best Countries to Work in After Graduating', *IDP* (Blog Post, 13 July 2025) <<https://www.idp.com/blog/best-countries-to-study-and-work-in/>>; see also Dini Azri, '12 Countries with Post-Study Work Visas for Int'l Students', *Study International* (Blog Post, 14 May 2025) <<https://studyinternational.com/news/post-study-work-visa-2/>>.

²³Bob Birrell, Lesleyanne Hawthorne and Sue Richardson, *Evaluation of the General Skilled Migration Categories* (Report, 2006); Lesleyanne Hawthorne, 'How Valuable is "Two-Step Migration"?: Labor Market Outcomes for International Student Migrants to Australia' (2010) 19(1) *Asian and Pacific Migration Journal* 5; James P Trevely and Sabbia Tilli, 'Labour Force Outcomes for Engineering Graduates in Australia' (2010) 16(2) *Australasian Journal of Engineering Education* 101; Ian W Li and Paul W Miller, 'Overeducation in the Australian Graduate Labor Market: The Roles of Immigrant Status and Language Background' in Pavel Jelinek (ed), *Education in Australia: Cultural Influences, Global Perspectives and Social Challenges* (Nova Science Publishers, 2013) 1; Lesleyanne Hawthorne and Anna To, 'Australian Employer Response to the Study-Migration Pathway: The Quantitative Evidence 2007–2011' (2014) 52(3) *International Migration* 99; Alessandra Faggian, Jonathon Corcoran and Francisco Rowe, 'Evaluating the Effects of Australian Policy Changes on Human Capital: The Role of a Graduate Visa Scheme' (2016) 34(1) *Environment and Planning C: Government and Policy* 151.

²⁴Angelina Tang et al, 'From Bad to Worse: Examining the Deteriorating Labour Market Outcomes of International Graduates in Australia' (2022) 39(3) *Journal of Population Research* 441, 442.

²⁵Quality Indicators for Learning and Teaching (QILT) *Graduate outcomes survey – longitudinal 2024 medium-term graduate outcomes in Australia* (2025), 34 [https://www.qilt.edu.au/surveys/graduate-outcomes-survey—longitudinal-\(gos-l\)](https://www.qilt.edu.au/surveys/graduate-outcomes-survey—longitudinal-(gos-l))

addition, 43.8% international graduates of postgraduate coursework degrees reported they were not fully utilising their skills, compared to 30.4% of domestic graduates.²⁶ Whilst some work in their field of study, many do not. For example, the majority of international graduates from Bachelors degrees in Business, Business Administration, Science and Arts who secure permanent residency are working as cooks or chefs.²⁷ The effects of this failure to transition into skilled employment commensurate with their skill level and education are significant as the time spent in lower-skilled work leads to the skills atrophy of highly skilled graduates,²⁸ who must ‘use it or lose it’.²⁹ In addition, and at a broader level, this pattern risks making Australia a less attractive education destination state given the importance of the education, migration and work nexus. This is a real concern, as many international students in Australia become ‘permanently temporary’, with only 17% of students transitioning to permanent residency in 2022–23.³⁰ Many others cycle through various temporary visas to prolong their stay in Australia but struggle to make the transition to permanent residency.³¹ In addition, those who manage to secure permanent residency after holding a student visa do not display the long-term economic outcomes otherwise expected.

There has been some action to fulfil the federal 2023 Migration Strategy commitment³² to addressing this ‘permanent temporariness’.³³ However, there remains some scope for graduates to extend their stay by seeking a new student or other temporary visa. If perpetuated, this phenomenon may limit the desirability of Australia as a study destination of choice for international students seeking a more permanent relocation. In addition, the under-utilisation of international student graduates represents a lost opportunity for Australia as the system does not capitalise on their skills and human capital.

²⁶Ibid 35.

²⁷Australian Census and Temporary Entrants Integrated Dataset (ACTEID) 2016.

²⁸Maria Ferreira, Annemarie Künn-Nelen and Andries De Grip, ‘Work Related Learning and Skill Development in Europe: Does Initial Skills Mismatch Matter?’ in Solomon Polachek et al (eds) *Skill Mismatch in Labour Markets* (Emerald Publishing, 2017) 345, 353.

²⁹‘Preface’ in Solomon Polachek et al (eds) *Skill Mismatch in Labour Markets* (Emerald Publishing, 2017) xi.

³⁰Department of Employment and Work Relations, *International Students Outcomes and Pathways Study* (Report, 2025) 35 <<https://www.jobsandskills.gov.au/publications/international-students-pathways-and-outcomes-study-report>>.

³¹Peter Mares, *Not Quite Australian: How Temporary Migration is Changing the Nation* (Text Publishing, 2016); Peter Mares, ‘All Work, No Stay?’, *SBS* (online, 20 August 2018) .

³²Department of Home Affairs, *Migration Strategy* (Report, 2023) 60 <<https://immi.homeaffairs.gov.au/programs-subsite/migration-strategy/Documents/migration-strategy.pdf>>.

³³For example, there have been restrictions implemented on onshore applications by Visitor Visa holders for Student Visas, and onshore application by Temporary Graduate Visa holders for Student Visas. See, eg, Clare O’Neil, ‘Ending “Visa Hopping” in the Migration System’ (Media Release, 12 June 2024) <<https://minister.homeaffairs.gov.au/ClareONeil/Pages/ending-visa-hopping-migration-system.aspx>>.

III The Role of Work Experience in the Transition of International Students from Education to Work

The transition of international students into the Australian labour market after completing their tertiary study is not straightforward, and many factors are likely to influence the poor outcomes identified above. These may, for instance, include discrimination in the employment market,³⁴ and skills mismatch.³⁵ A comprehensive exploration of the breadth of relevant issues is beyond the scope of this article. However, a factor crucial to graduate employment outcomes is the acquisition of relevant work experience.³⁶ As the federal Department of Education notes, '[e]nsuring that international students are supported to take part in WIL exposes them to a broader Australian working environment and exposes Australian employers to a highly skilled pool of potential future employers'.³⁷ As will be considered below, multiple stakeholders support international students engaging in internships as a means to acquire skills and facilitate transition into the labour market, and the *Migration Review* notes the importance of these in producing better employment outcomes.³⁸ However, as is contended here, the realisation of this encouragement has been hindered by regulatory obstacles.

The term internship (commonly referred to as a 'traineeship' or a 'work placement' in Europe) is 'used to cover a wide range of schemes that seek to provide skills, knowledge and experience in a workplace'.³⁹ Internships can be paid or unpaid, formal or informal, contribute to course credit⁴⁰ or be arranged outside of a formal course of study, and can be of long- or short-term duration. 'Internships', therefore, are a phenomenon with many iterations. They have become a well-entrenched feature of the transition from formal education into labour markets in many developed economies, including Australia.⁴¹ For example, a 2023 survey conducted in the

³⁴This was flagged in Jill Blackmore et al, *Australian International Graduates and the Transition to Employment* (Final Report, 2014) 21, and there is no indication that discrimination has reduced since the Linkage Grant informing that report was completed. For more recent analysis, see Jane Coffey, Farveh Farivar and Roslyn Cameron, 'The Job Seeking Experiences of International Graduates in the Host Country: Australia's Lost Opportunity?' (2021) 32(4) *International Journal of Human Resource Management* 846.

³⁵Tang et al (n 24).

³⁶Coffey, Farivar and Cameron (n 34).

³⁷Department of Education (Cth), Submission to Department of Home Affairs, *Review of the Migration System* (December 2022) 9.

³⁸Martin Parkinson, Joanna Howe and John Azarias, Department of Home Affairs, *Review of the Migration System* (Final Report, March 2023) 111.

³⁹Andrew Stewart et al, 'The Regulation of Internships: A Comparative Study' (Employment Working Paper No 240, International Labour Organization, 2018) xi ('The Regulation of Internships').

⁴⁰In Australia, internships undertaken for academic credit are often referred to as work integrated learning ('WIL'). WIL is defined by the national tertiary education regulator, TEQSA as 'any arrangement where students undertake learning in a work context as part of their course requirements': TEQSA, *Work Integrated Learning* (Guidance Note, May 2022, Version 2.0) 1.

⁴¹See, eg, *ibid*; Ross Perlin, *Intern Nation: How to Earn Nothing and Learn Little in the Brave New Economy* (Verso Books, 2012); European Commission, 'Applying the Quality Framework for Traineeships' (European Commission Staff Working Document, 2016); Andrew Stewart et al (eds), *Internships, Employability and the Search for Decent Work Experience* (Edward Elgar, 2021).

European Union concluded that 78% of young people surveyed did at least one traineeship.⁴² In Australia, data suggests that between 44 and 46% of Australian tertiary students are engaging in work-based learning as a part of their tertiary education annually.⁴³

There are many reasons why these experiences are so prevalent. For one, there is growing pressure from Australian employers for graduates to have relevant work experience, often gained through internships or WIL, to be considered competitive in the labour market. Indeed, internships are considered so foundational to the transition to work that they have been described as the ‘new degree’.⁴⁴ In addition to providing a means to satisfy employer demands for graduates to have relevant work experience to be competitive for graduate employment, international students have other motivations for wishing to secure and complete internships during their course of study. These include to explore the social aspects of work in their country of study,⁴⁵ and to ensure they can access visas for further stay.⁴⁶

The Australian Government has added its voice to the chorus of stakeholders eager to integrate internships into the Australian experience of international students. The aim of Australia’s first *National Strategy for International Education 2025*, released in 2016, was for Australia to retain its position as a global leader in the provision of education for international students.⁴⁷ In this context, internships were supported as a vehicle to improve graduate employability and productivity outcomes for employers and the national economy through the production of a highly-skilled workforce.⁴⁸ More recently, the release of the Federal Government’s *Australian Strategy for International Education 2021–2030*⁴⁹ confirms the importance of learning in the workplace for international students. The Strategy states that it will provide students with an opportunity to gain ‘practical experience relevant to their course of study ... and prepare students with the skills required to participate in the global workforce following their studies’.⁵⁰ This concurs with the Australian Government’s reform agenda in higher education,

⁴²Ipsos European Public Affairs, *Flash Eurobarometer 523: Integration of Young People into the Labour Market with Particular Focus on Traineeships* (European Commission, April 2023).

⁴³Denise Jackson, Australian Collaborative Education Network, *Student Participation in Work Integrated Learning in Higher Education – A Three-Year Review* (Report, 2023) 8 <<https://drive.google.com/file/d/1DJYUBJ4inc8kMw0E1Qa7YzaCIHRJtVY5/view>>.

⁴⁴Pauline Leonard, Susan Halford and Katie Bruce, “‘The New Degree?’ Constructing Internships in the Third Sector’ (2016) 50(2) *Sociology* 383.

⁴⁵Insufficient professional networks appear to be one of the common barriers facing international students and graduates, see Brett Berquist et al, International Education Association of Australia, *Global Perspectives on International Student Employability* (Report, 2019).

⁴⁶Ruth Brooks and Paul L Youngson, ‘Undergraduate Work Placements: An Analysis of the Effects on Career Progression’ (2016) 41(9) *Studies in Higher Education* 1563; Martyn Clark and Miriam Zukas, ‘Understanding Successful Sandwich Placements: A Bourdieusian Approach’ (2016) 41(7) *Studies in Higher Education* 1281; Association of Graduate Careers Advisory Services, ‘The Placements Issue’ (Web Page, February 2017) <<https://www.agcas.org.uk/Knowledge-Centre/b9020ff3-a325-41a4-9f7d-8708f3d1960d>>.

⁴⁷Australian Government, *National Strategy for International Education 2025* (Report, April 2016).

⁴⁸Ibid 15.

⁴⁹Department of Education, Skills and Employment (Cth), *Australian Strategy for International Education 2021–2030* (Report, 2021).

⁵⁰Ibid 12.

which was released in 2020, and which focuses *inter alia* on producing job-ready graduates. As part of that agenda, the government encouraged practical internship courses in universities. This was facilitated by legislative amendments to make work experience in industry units of study eligible for Commonwealth Grant Scheme funding.⁵¹ This measure removed a disincentive for universities to offer such units of study. Notably, the reform did not distinguish between elective and compulsory internship courses, suggesting the government perceives both as valuable for improving employability.

However, although the above analysis suggests that ‘real world’ work experience gained through internships can facilitate the transition from education to employment, there is also a risk that some internships could be exploitative. When poorly designed or misused, internships may not only fail to facilitate securing graduate employment, but actually ‘trap young people in a vicious cycle of precarious employment and insecurity’.⁵² The International Labour Organization (‘ILO’) has explicitly warned of this, recognising interns could be exploited as source of cheap (or free) labour that is not receiving proper workplace training or (in many cases) entitlements.⁵³ While internships undertaken as a part of study (WIL) are less likely to raise such concerns, international students are at risk of falling victim to such exploitative experiences in any context. This, in part, is because of a likely lack of connections and engagement with Australian industry that will assist students to identify ‘quality’ (non-exploitative) WIL experiences.⁵⁴ However, international students also face some unique vulnerabilities. For example, a 2013 report for the Fair Work Ombudsman, Australia’s workplace regulator, explained that ‘migrant workers, especially international students and those on temporary working visas, are especially vulnerable to unpaid work, because they often have the additional urgency of seeking to maximise the possibility of securing access to permanent residency’.⁵⁵

Despite these concerns, there is evidence that internships undertaken as a part of study have positive outcomes. In Australia, the relationship between undertaking WIL as a part of a tertiary curriculum and employment has been examined through the Graduate Outcomes Survey (‘GOS’) commissioned by the Department of Education, Skills and Employment.

The GOS survey has provided valuable data on graduate outcomes since 2016, but as the data is drawn from a voluntary survey to which only a subset of graduates respond,

⁵¹ *Higher Education Support Amendment (Job-Ready Graduates and Supporting Regional and Remote Students) Act 2020* (Cth).

⁵² Kari P Hadjivassiliou et al, Directorate-General for Employment, Social Affairs and Inclusion (European Commission) et al, *Study on a Comprehensive Overview on Traineeship Arrangements in Member States* (Final Synthesis Report, 2012) 24. As to the characterisation of internships as a precarious form of work, see Guy Standing, *The Precariat: The New Dangerous Class* (Bloomsbury, revised ed, 2011) 16, 76–7; Perlin (n 41) 36–41, 197–202.

⁵³ International Labour Organization, ‘Internships: Head Start or Labour Trap?’ (Web Page, 22 August 2012) <www.ilo.org/global/about-the-ilo/newsroom/features/WCMS_187693/lang-en/index.htm>.

⁵⁴ Anne Hewitt, Andrew Stewart and Rosemary Owens, ‘Mind the Gap: Is the Regulation of Work Integrated Learning in Higher Education Working?’ (2022) 44(1) *Monash University Law Review* 234, 243.

⁵⁵ Andrew Stewart and Rosemary Owens, Fair Work Ombudsman, *Experience or Exploitation? The Nature, Prevalence and Regulation of Unpaid Work Experience, Internships and Trial Periods in Australia* (Report, January 2013) xiii.

it necessarily can be affected both by the total number of survey responses and the degree to which those responses are representative the total graduate population. It is issued to all graduates (both domestic and international) four to six months after they complete their tertiary studies and can include a series of optional items relating to student's experience of WIL, in addition to questions about their satisfaction with their study and graduate outcomes. The optional WIL questions were introduced in 2020, when 30 universities opted to include them, increasing to 34 participating universities in 2024.⁵⁶ In 2024, 38.5% of graduates submitted valid responses to the GOS survey,⁵⁷ including over 30,000 international graduates (a response rate of 33.2%).⁵⁸

Graduates of universities that included the WIL questions were asked if they completed WIL while studying and whether they perceived their engagement has improved their employability. The 2024 responses indicate that those who completed WIL activities during their degree agreed or strongly agreed that experience had:

- enhanced their professional capabilities and improved their job prospects (77.5%);
- increased their awareness of organisations where graduates could work (70.7%);
- improved their appeal in the labour market (61.4%); and
- broadened their professional contact network which improved job prospects (69.7%).⁵⁹

Interestingly, 55% of respondents who had completed WIL indicated it had not influenced their employment outcomes (as opposed to employability).⁶⁰ Nevertheless, some respondents indicated that:

- the experience they gained in WIL helped them secure employment (24.8%);
- connections with a WIL industry/community partner helped them secure employment (16.8%); or
- they secured employment through a contact made during WIL experience (9.4%).⁶¹

⁵⁶Denise Jackson et al, WIL Australia and Social Research Centre, *WIL Australia Member Summary Report for 2024 Graduate Outcomes Survey Items* (October 2025) ('*Summary Report for 2024 Graduate Outcomes Survey Items*'); Denise Jackson et al, Australian Collaborative Education network (ACEN) and Social Research Centre, *Australian Collaborative Education Network Member Summary Report for Graduate Outcomes Survey Items* (December 2022) ('*2022 Summary Report for Graduate Outcomes Survey Items*'); Denise Jackson et al, ACEN and Social Research Centre, *Australian Collaborative Education Network – 2021 Summary Report for Graduate Outcomes Survey Items* (October 2021) ('*2021 Summary Report for Graduate Outcomes Survey Items*'); Denise Jackson et al, ACEN and Social Research Centre, *Australian Collaborative Education Network – Summary Report for Graduate Outcomes Survey Items* (November 2020).

⁵⁷Quality Indicators for Learning and Teaching (QILT), *2024 Graduate Outcomes Survey* (National Report, 2025) 1.

⁵⁸QILT, *2024 Graduate Outcomes Survey* (International Report, 2025) 1.

⁵⁹Jackson et al, *Summary Report for 2024 Graduate Outcomes Survey Items* (n 57) 16.

⁶⁰*Ibid* 16.

⁶¹*Ibid* 17.

The 2024 GOS survey indicates a correlation between completing WIL and graduate employment. Participation in any form of WIL had a positive impact on employment for undergraduates with workplace-based WIL having the greatest individual impact, increasing employment from 69.6% to 79.5%.⁶² It seems that engaging in formal work-based learning, such as internships, contributes to improved employment outcomes. Significantly, it also seems that internships and other work-based learning undertaken as a part of study have more positive outcomes than extra- or co-curricular work experience and internships. There is no distinction within the survey between compulsory and elective WIL, suggesting both benefit students. Notably, however, the GOS data indicates that self-identified international students are engaging in work-based WIL at a slightly lower rate than their domestic peers.⁶³

Conclusions about the impact of WIL on employability and employment outcomes in Australia is consistent with those from other jurisdictions. For example, research from the United Kingdom ('UK') confirms that internships can facilitate employability and improve employment outcomes. For example, surveys of employers suggest that they regard the completion of courses which integrate work experience very positively, improving the employability of those who have completed such experiences.⁶⁴ Similarly, a 2021 analysis suggests that completing a curricular internship in the UK does tend to improve the employability of recent graduates.⁶⁵ However, UK research also sounds a warning note that not all internships are equally available to all students nor convey equal benefits.⁶⁶ There is evidence that social class in the UK appears to play a significant role in access to the 'best' internship opportunities — that is, those which are most clearly associated with labour market outcomes.⁶⁷ A risk we face in Australia is that international students may become an equivalent underclass, unable to access or complete the 'best' internships.⁶⁸

⁶²Ibid 18.

⁶³Denise Jackson, Australian Collaborative Education Network, *Student Participation in Work Integrated Learning in Higher Education – A three-year review* (Report, 2023) 12 <<https://drive.google.com/file/d/1DJYUBJ4inc8kMw0E1Qa7YzaCIHRJtVY5/view>>. The participation rates for domestic:international students in 2020, 2021, and 2022 was 35.7%:31.8%; 33.9%:32.1% and 34.6%:33.0%.

⁶⁴Carys Roberts, Institute for Public Policy Research, *The Inbetweeners: The New Role of Internships in the Graduate Labour Market* (Report, April 2017); UK Commission for Employment and Skills and Department of Education, *Employer Skills Survey 2015 of 91,000 Employers* (Report, 2015).

⁶⁵Charikleia Tzanakou et al, 'How do Internships Undertaken During Higher Education Affect Graduates' Labour Market Outcomes in Italy and the United Kingdom?' in Andrew Stewart et al (eds), *Internships, Employability and the Search for Decent Work Experience* (Edward Elgar, 2021) 55, 72.

⁶⁶Carl Cullinane and Rebecca Montacute, Sutton Trust, *Pay as you Go? Internship Pay, Quality and Access in the Graduate Jobs Market* (Report, 2018).

⁶⁷Charikleia Tzanakou et al, 'Access and Labour Market Outcomes of Internships during Higher Education in Italy and the United Kingdom' (AMS-Acta, University of Bologna, 2020).

⁶⁸For an analysis of what factors facilitate positive employment outcomes in internships, see Niall O'Higgins and Luis Pinedo Caro, 'What Makes for a "Good" Internship?' in Andrew Stewart et al, *Internships, Employability and the Search for Decent Work Experience* (Edward Elgar, 2021) 35. For an analysis of the equity issues associated with Australian internships, see Anne Hewitt, 'Avoiding the Trap of Exploitative Work: A National Approach to Making Work-Integrated Learning Effective, Equitable and Safe' (2018) 31(2) *Australian Journal of Labour Law* 101.

IV The impact of the Fortnightly Work Hours Limit on Internships

The difficulties that international students face in gaining work experience in their field of study, and ultimately transitioning into graduate employment, in part stem from the effect of the fortnightly work hours limit that forms part of their visa conditions. A long-standing feature of immigration rules for international students in Australia is visa condition 8105, which (with exceptions that will be discussed below) has imposed a cap on international students working more than 48 hours per fortnight during semester, but not limited working hours during study breaks.⁶⁹ The term 'work' is defined in reg 1.03 of the *Migration Regulations 1994* (Cth) as an 'activity that, in Australia, normally attracts remuneration'. In this context, it is worth noting the operation of the 'vocational placement' exemption in the *Fair Work Act 2009* (Cth) ('*Fair Work Act*'). The Act provides that the terms 'employee' or 'national system employee'⁷⁰ do not include a person who is 'on a vocational placement'. Vocational placement is defined to include a placement for which a person is not entitled to be paid any remuneration, undertaken as a requirement of an education or training course which is under a law or an administrative arrangement of the Commonwealth, a State or a Territory.⁷¹ However, it is probable that many unpaid placements organised in the open market (not through an educational provider) may constitute a breach of relevant labour laws, and students should in fact be paid for these placements.⁷²

Breaching visa condition 8105 (including by undertaking unlawful unpaid work) however minor, inadvertent or coerced, exposes international students to two severe consequences.⁷³ One consequence is the cancellation of their visa under s 116(1)(b) of the *Migration Act 1958* (Cth). Second, the student faces potential criminal prosecution under s 235 of that Act, which creates a strict liability criminal offence.

In an unprecedented shift, policy changes during the COVID-19 pandemic saw a temporary relaxation of visa condition 8105 (which then limited work to 40 hours per week) for international students working in specific sectors. This change was implemented to address workforce shortages and support the supply of important services during the pandemic. The changes commenced gradually, with a relaxation of the working limits for international students working in supermarkets from 13 March

⁶⁹This limit was imposed on 1 July 2023: Department of Home Affairs, Australian Government, *Freedom of Information Request - FA 24/04/01158* <https://www.homeaffairs.gov.au/foi/files/2024/fa-240401158-document-released.PDF>.

⁷⁰*Fair Work Act 2009* ss13, 15(1)(b), 30C(1)(a) and 30M(1)(a) ('*Fair Work Act*').

⁷¹*Ibid* s12. The operation of the exemption is discussed in Andrew Stewart and Rosemary Owens, *Experience or Exploitation? The Nature, Prevalence and Regulation of Unpaid Work Experience, Internships and Trial Periods in Australia: Experience or Exploitation?* (Report for the Fair Work Ombudsman, 2013) 75–80 <<https://www.fairwork.gov.au/sites/default/files/migration/763/UW-complete-report.pdf>>.

⁷²Andrew Stewart, 'Are Unpaid Internships Unlawful?' *The Conversation* (online, 16 June 2016) <https://theconversation.com/are-unpaid-internships-unlawful-60197>. In 2018 it was estimated that as much as 10% of unpaid work undertaken in Australia may be unlawful: Andrew Stewart et al, 'The Nature and Prevalence of Unlawful Unpaid Work Experience in Australia' (2018) 31(2) *Australian Journal of Labour Law* 157.

⁷³Joanna Howe, 'A Legally Constructed Underclass of Workers? The Deportability and Limited Work Rights of International Students in Australia and the United Kingdom' (2019) 48(3) *Industrial Law Journal* 416.

2020, in aged care from 18 March 2020 and for an NDIS provider from 23 April 2020⁷⁴ Restrictions on work were removed in all sectors from January 13 2022.⁷⁵ However, students working more than 40 hours a fortnight were required to maintain their course enrolment and ensure satisfactory course attendance and progress.⁷⁶ The temporary relaxation of this condition was in response to the labour shortages caused by COVID-19. While there was media speculation that, when reimposed, the work limit was likely to double to 80 hours a fortnight,⁷⁷ in the end the federal government introduced a more modest post pandemic increase to 48 hours, with this limit applying from 31 June 2023⁷⁸ The imposition of the adjusted limit was explained as allowing international students 'to focus on obtaining a quality Australian education and qualification, while also gaining valuable work experience and contributing to Australia's workforce needs'.⁷⁹

Notwithstanding these shifts during the pandemic, visa condition 8105 impedes on the ability of international students to undertake work experience during their education. This condition only allows international students to complete work more than the fortnightly work hours limit when that work experience is registered as work-based training that the student must complete as part of their course with the Commonwealth Register of Institutions and Courses for Overseas Students ('CRICOS').⁸⁰ This permits international students to complete workplace-based internships that are a requirement of a degree. A wide range of tertiary qualifications do integrate internships

⁷⁴Department of Home Affairs, 'Covid-19 and Student Visa Arrangements', (Presentation, 31 July 2020) <https://abrisa.org.au/wp/wp-content/uploads/2020/08/COVID-19-and-Visa-arrangements-23-July-2020.pdf>.

⁷⁵Department of Home Affairs, Australian Government, *Freedom of Information Request - FA 24/04/01158* <https://www.homeaffairs.gov.au/foi/files/2024/fa-240401158-document-released.PDF>.

⁷⁶Ibid.

⁷⁷John Kehoe and Larry Schlesinger, 'Foreign Students Allowed Extra Hours to Ease Worker Shortage', *Financial Review* (online, 13 January 2022) <<https://www.afr.com/work-and-careers/workplace/foreign-students-allowed-extra-hours-to-ease-worker-shortage-20220112-p59nnc>>; Julie Hare, 'Unlimited Work for Overseas Students Comes with Risks' *Financial Review* (online, 13 January 2022) <[https://www.afr.com/work-and-careers/education/unlimited-work-for-overseas-students-comes-with-risks-20220113-p59ny1#:~:text=A%20further%20relaxation%20of%20visa,and%20course%20failures%2C%20critics%20say.](https://www.afr.com/work-and-careers/education/unlimited-work-for-overseas-students-comes-with-risks-20220113-p59ny1#:~:text=A%20further%20relaxation%20of%20visa,and%20course%20failures%2C%20critics%20say.;)>; Joshua Boscaini, Erwin Renaldi and Natasya Salim, 'International Students Allowed to Work More Hours to Help Ease COVID Worker Shortage', *Australian Broadcasting Corporation News* (online, 13 January 2022) <<https://www.abc.net.au/news/2022-01-13/international-students-allowed-to-work-more-hours/100753802>>; Tom Stayner, 'International Students Allowed Extra Hours as National Cabinet Moves to Ease Supply Chain Pressures', *Special Broadcasting Service News* (online, 13 January 2022) <<https://www.sbs.com.au/news/article/international-students-allowed-extra-hours-as-national-cabinet-moves-to-ease-supply-chain-pressures/46rpjv60a>>.

⁷⁸Department of Home Affairs, Australian Government, *Freedom of Information Request - FA 24/04/01158* <https://www.homeaffairs.gov.au/foi/files/2024/fa-240401158-document-released.PDF>. However, student visa holders already working in the aged care sector on 9 May 2023 were permitted to continue to work unrestricted hours in that sector until 31 December 2023.

⁷⁹Department of Home Affairs, 'Temporary Relaxation of Working Hours' (n 78).

⁸⁰*Migration Regulations 1994* (Cth) Sch 8; *National Code of Practice for Providers of Education and Training to Overseas Students 2018* (Cth) at r 11.2.3 provides that education providers must provide to ESOS agency details of 'any work-based training to be undertaken as part of the course is necessary for the student to gain the qualification and there are appropriate arrangements for the supervision and assessment of students'.

as a mandatory component of the degree qualification, often in response to professional accreditation bodies that require completion of a minimum period of practical 'internship' work for a student to be eligible for admission into the particular profession.⁸¹ For example, the disciplines of health and education have mandatory placements for professional accreditation and hence some of the highest rates of work integrated learning.⁸² These requirements are, therefore, registered on CRICOS for these degree programs, and placements can be undertaken without risk of exceeding the work limit.⁸³

However, in disciplines where internships are not a degree requirement, but may be undertaken on a voluntary basis, such as business, IT, media, law, arts and humanities, Australian universities typically promote the acquisition of industry experience through non-compulsory elective internship courses. The complication is that visa condition 8105 requires international students who participate in workplace-based internships that are *not* registered as mandatory work-based training in CRICOS to count those internship hours towards their fortnightly work limit. This may contribute to explaining the difference in engagement with work-based WIL between international and domestic students. The 2024 GOS survey indicates that international students are engaging in work-based WIL statistically less frequently than their domestic peers (43.3% versus 40.7% participation).⁸⁴ While the differences in participation are small, and may be closing over time, they are statistically significant,⁸⁵ and problematic in a context which suggests some employers are reluctant to engage with international students.⁸⁶

⁸¹See, eg, *Teachers Registration and Standards Regulations 2021* (SA) provides that the requirement for teachers to have completed prescribed workplace training before they are eligible to be registered as teachers for pre-primary, primary or secondary education in South Australia: at reg 7(1). In the context of allied health degrees, the Australian Nursing and Midwifery Accreditation Council is responsible for developing accreditation standards for approval by the Nursing and Midwifery Board of Australia ('NMBA'): *Health Practitioner Regulation National Law Act 2009* (Qld) s 42a. Its accreditation standards for each health discipline provide that accredited degrees must include minimum periods of practical experience placement ('PEP'). For example, standard 3.12 of the Registered Nursing standards requires that programs include 'a minimum of 800 hours of quality PEP completed by all students in a variety of settings, relevant to the curriculum, exclusive of simulation and not exceeding one-sixth of the PEP hours undertaken outside Australia', see Australia Nursing & Midwifery Accreditation Council, *Registered Nurse Accreditation Standards 2019* (2019) 16 [3.12] <https://www.anmac.org.au/sites/default/files/documents/registerednurseaccreditationstandards2019_0.pdf>.

⁸²Universities Australia, *Work Integrated Learning in Universities* (Final Report, 2019) 13 <<https://universitiesaustralia.edu.au/wp-content/uploads/2022/03/WIL-in-universities-final-report-April-2019.pdf>>.

⁸³The CRICOS register provides details of the hours per week, weeks and total hours of work-based training required for each program. See Department of Education, 'Commonwealth Register of Institutions and Courses for Overseas Students' <<https://cricos.education.gov.au/>>.

⁸⁴Jackson et al, *Summary Report for 2024 Graduate Outcomes Survey Items* (n 576) Table 4, 11.

⁸⁵The participation rate is statistically significant ($p < 0.05$) from the comparison group.

⁸⁶Denise Jackson, 'Deepening industry engagement with international students through work-integrated learning' (2016) 42(1) *Australian Bulletin of Labour* 38; Denise Jackson, 'Exploring the challenges experienced by international students during work-integrated learning' (2017) 37(4) *Asia Pacific Journal of Education* 344; Ly Thi Tran and Thao Thi Phuong Vu 'I'm not like that, why treat me the same way?' The

The counting of non-mandatory/elective internships towards the fortnightly work hours limit restricts international students from participating in internship opportunities in disciplines without a mandatory work placement. For example, international students may be unable to enrol in an elective course which involves a one-day per week work placement if that would, in combination with their paid work, mean that their work hours per fortnight exceeds the limit. This is problematic because despite these opportunities being 'elective' in the curriculum, they are often an important step in the pathway into paid work following graduation. As Tran et al note, 'it is important to ensure the integration of career education, including development of employability skills, WIL and professional portfolio early in the study programme.'⁸⁷ In fact, 19.2% of international undergraduate students have stated that the main reason for working in a graduate job that does not fully utilise their skills and education is not enough work experience (compared to 11.8% of domestic students).⁸⁸ Along with accepting an entry level/stepping stone position, this was the most reported labour market explanations for employment not matching skills and qualifications at both undergraduate and post graduate level, with international students reporting higher levels in both cohorts.⁸⁹

The restriction on completing 'elective' placements places international students at a competitive disadvantage in the graduate job market when compared with local students who are not subject to limits on the hours in which they work during their degree. The Migration Review notes that the inclusion of non-mandatory internships in the fortnightly work hours limit forces a choice 'between undertaking paid work or taking advance of opportunities that could enable better success in their field of study or training and a more seamless transition into the labour market post-study'.⁹⁰ This choice is particularly fraught in the current cost of living crisis, in which students may find it particularly challenging to sacrifice paid work for (often unpaid) workplace learning opportunities.⁹¹

The counting of non-mandatory internships within the fortnightly work hours limit also significantly constrains the ability of universities to attract international students, given that the global higher education market is highly competitive and 'higher education combined with skilled migration is a big drawcard'.⁹² It also places

impact of stereotyping international students on their learning, employability and connectedness with the workplace (2016) 43(2) *The Australian Educational Researcher* 203.

⁸⁷Tran et al (n 18) 507.

⁸⁸QILT, *2024 International Graduate Outcomes Survey* (Report, 2025) 30, Table 12.

⁸⁹*Ibid.* For post graduate course work students 18.4% of international students report that they are in a role which does not utilise their skills because of a lack of experience, versus 8.3% of domestic students.

⁹⁰Department of Home Affairs, *Review of the Australian Migration Program* (Final Report, 2023) 112.

⁹¹For media coverage of this issue, see, eg: Annika Burgess and Kelly Wu, 'International students faced with housing and cost-of-living stress say they were misled about Australia' (Australian Broadcasting Corporation News, 19 May 2023) <<https://www.abc.net.au/news/2023-05-19/international-students-migrant-housing-crisis-living-costs/102355508>>; Allana Ferriera, 'Visa denials, high cost of living push international students to abandon their 'Australia dream'' (Special Broadcasting Service Online, 5 July 2024) <<https://www.sbs.com.au/language/portuguese/en/podcast-episode/visa-denials-high-cost-of-living-push-international-students-to-abandon-their-australia-dream/t8ce4vgzt>>.

⁹²Joint Standing Committee on Migration, *Inquiry into Australia's Skilled Migration Program* (Final Report, August 2021) 53.

pressure on universities to meet due diligence requirements by auditing and revising course structures across their institutions to avoid facilitating any breaches of the fortnightly work hours limit among their international students. In response to these issues, the International Education Association of Australia has proposed a 'career success package' which includes a commitment to offering every international student a WIL learning experience and advocate that the fortnightly work hours requirement not apply to WIL as part of this package.⁹³ Nevertheless, the release of the Federal Government's *Australian Strategy for International Education 2021-2030*⁹⁴ did not result in any modifications to the application of visa condition 8105 to non-mandatory internships. Instead, the updated strategy expressed broad, albeit vague, support for international students to undertake internship opportunities, without making changes to remove the practical obstacles preventing some students undertaking internships:

Enriching experiences off campus, including internships, employer networks and graduate opportunities, are critical elements to the international student experience. Identifying and delivering extra-curricular opportunities that help international students make the most of their Australian education will also give them a more rounded experience and support peer-to-peer links. The Australian Government will continue work with industry to support international students to make meaningful connections with domestic students and beyond their campuses into their local communities.⁹⁵

The continued application of visa condition 8105 to non-mandatory internships is in contrast to the approach in other jurisdictions that compete with Australia to attract international students. New Zealand, for example, does not count time spent on work experience towards their 20-hour per week work limitation. The advice to international students studying in New Zealand is that '[i]f you have to complete work experience as part of your training, this is additional to part-time work of 20 hours a week'.⁹⁶ Similarly, in the UK, where international students are subject to a weekly work hours limit of 20 hours, the guidance provided to students is that they are 'permitted to undertake work related to a work placement, assessed as an integral part of the course' that meets prescribed requirements in addition to the additional part time work allowed. Those requirements include that the work placement is 'assessed as an integral part of the course' and is '[no] longer than one third of the total length of the course'.⁹⁷

In sum, there are clear benefits to undertaking internships for multiple stakeholders in the international education sector. These include benefits for:

⁹³International Education Association of Australia, *Response to Australian Strategy for International Education* (IEAA Submission, May 2021) 4.

⁹⁴Department of Education, Skills and Employment (n).

⁹⁵Ibid 16.

⁹⁶New Zealand Government, *Working While on a Student Visa* (Web Page, 22 October 2021) <<https://www.govt.nz/browse/immigration-and-visas/get-a-new-zealand-student-visa/working-while-on-a-student-visa>>.

⁹⁷Home Office, 'Immigration Rules: Appendix Student' *Government United Kingdom* (Web Page, 4 January 2022) <<https://www.gov.uk/guidance/immigration-rules/appendix-student>>.

- universities seeking to promote internship opportunities for international students as a recruitment tool;
- international students for whom completing internships can facilitate better graduate labour market outcomes; and
- for industry hosts who can use internships as an opportunity to trial international students as potential future employees.

These recognised benefits are in tension with immigration rules which constrain the ability of international students to undertake internships as part of an elective or extracurricular activity during semester. The immigration rules are also inconsistent with the Federal Government's international education strategy which is broadly supportive of internship opportunities for international students. This contradiction between the goals of students, the sector and government, and the application of work hours limits, suggests that the application for the fortnightly work hours limit should be rethought, especially in its application to elective and extracurricular internships.

V The Regulatory Design of Migration Pathways and their Impact on Labour Market Outcomes

In addition to restrictions to working hours during their degree, another factor which inhibits post-study labour market outcomes for international students is the design of migration pathways to permanent residency. This has been a vexed issue since 2009 when it was realised that international students who enrolled in a course of study that qualified them for an occupation on the Migration Occupations in Demand List could potentially access an almost seamless pathway to attain permanent residence.⁹⁸ This created issues with the quality of the skilled migration program, as well as with social cohesion, in response to which the government sought to more clearly separate the student and the skilled migration programs in 2010. Nowadays, two main pathways through which international students can apply for permanent residency are (a) regional and state and territory government nomination; and (b) employer sponsorship. Migration outcomes in each of these pathways are tied to the performance of work even though the regulatory framework for each is quite different. The ability of international students to transition to permanent residency irrespective of the skill level of their work history creates an incentive to perform unpaid work or low-skilled work which is likely easier to obtain upon graduation. This, in turn, drives poorer labour market outcomes for international student graduates as it funnels them into easily secured work which may not be commensurate with their skill level or education and potentially hinders their ability to access more skilled work in the future. This issue was recognised in the 2023 Migration Strategy, but changes to the pathways were not proposed.⁹⁹

⁹⁸Harriet Spinks, 'Overseas Students: Immigration Policy Changes 1997–2015' (Research Paper, Department of Parliamentary Services, Parliament of Australia, 25 February 2016) <https://parlinfo.aph.gov.au/parlInfo/download/library/prspub/4390265/upload_binary/4390265.pdf;fileType=application/pdf>.

⁹⁹The 2023 Migration Strategy included a commitment to assisting international students secure high-quality work in Australia "The Government will partner with education providers, unions, industry and

A State or Territory Nomination

The fastest pathway to permanent residency for an international student is through state or territory nomination. Counterintuitively, in some jurisdictions, this pathway rewards international student graduates for the performance of any work even if it is low skilled. For example, Victoria does not require international student graduates to have lived and worked in the state being eligible for state nomination for permanent residency.¹⁰⁰ Applicants must demonstrate they are engaged in ‘skilled employment’ but it does not have to be related to or the same as their nominated occupation.¹⁰¹ This includes significant scope for recognition of work undertaken below the skills of the applicant. For example, a Mechanical Engineer (ANZSCO skill level 1) who is working as a Mechanical Engineering Technician (ANZSCO skill level 2) could claim earnings from this job as it is classified as skilled level 2. To date there is no significant empirical evidence that international graduates are making such decisions, and while undertaking such research is beyond the scope of this analysis, it would be a fruitful area for future research.

The regulatory design of such migration pathways incentivise the performance of lower-skilled work by international student graduates, and contributes to the poor labour market outcomes for international student graduates. Upon graduation, most international students who graduate from a university degree work in occupations below their skill level, with 50% of international students with a Bachelors or above ended up working in occupations in the bottom two skill tiers (high school or Cert II/III levels).¹⁰² Similarly, in 2022 the Department of Education found growing numbers of higher education graduates were employed in occupations such as sales assistants and call centre operators.¹⁰³ In addition, initial performance of low-skilled work upon graduation may have a detrimental effect on the ability of international student graduates to transition into more highly-skilled work and may constrain their labour market outcomes in the long term. Research demonstrates that graduates who experience poor outcomes at the beginning of their journey into the labour market, which could include a period of unemployment, underemployment, low wage work, or a job using not all of their skills, are likely to have less successful outcomes in the labour market longer term.¹⁰⁴ This is consistent with broader findings that it is difficult for young workers to move up the ‘occupational ladder’, with three quarters

governments to incorporate more work integrated learning (such as professional workplace placements or industry-partnered projects) into tertiary courses to ensure students are better prepared for Australia’s skilled workforce”: Australian Government, *Migration Strategy* (Report, 2023) 70.

¹⁰⁰Victoria, *Skilled Migrant Visas* (Website) <<https://liveinmelbourne.vic.gov.au/migrate/skilled-migration-visas/491>>.

¹⁰¹Skilled employment is defined as any role that is at skill levels 1, 2 or 3 in the relevant Australian and New Zealand Standard Classification of Occupations classification: <https://www.abs.gov.au/statistics/classifications/anzsco-australian-and-new-zealand-standard-classification-occupations/2022>.

¹⁰²The Treasury, *Working Future: The Australian Government’s White Paper on Jobs and Opportunities* (2023), 220.

¹⁰³Jobs and Skills Australia, *International Students Outcomes and Pathways Study* (2025, Australian Government), 52-3.

¹⁰⁴Jeff Borland, ‘Scarring Effects: A Review of Australian and International Literature’ (2020) 23(2) *Australian Journal of Labour Economics* 173. There is some evidence that scarring effects ‘fade’, with negligible

of young people remaining within the same occupational score quartile for four years post-graduation. Unfortunately, this means international student graduates who are encouraged to accept low-skilled work in order to achieve permanent residency may find it difficult to transition to more highly skilled work once they have secured that status.¹⁰⁵

In addition to being disadvantageous for the individual students, this perverse outcome is not advantageous to the economy more broadly. Global Adelaide, a collection of South Australian business leaders, contends that this approach produces adverse economic outcomes:

There are some migration programs that currently exist which do not deliver the optimal economic benefit or outcome nor improve economic growth or increase productivity, innovation or entrepreneurship in regional and low population growth jurisdictions.¹⁰⁶

B Employer Sponsorship

The only temporary visa with a pathway to permanent residency and with the longest term and capacity for renewal is the employer-sponsored Skills in Demand ('SID') subclass 482 visa.¹⁰⁷ This visa requires applicants to have at least one year¹⁰⁸ of relevant work experience in their nominated occupation.¹⁰⁹ As international students and working holiday makers constituting two-thirds of onshore 482 visa recipients, this requirement has a substantial impact on onshore applicants for the SID visa. In this context, it is important to note that satisfying the work experience requirement is not limited to remunerated work; evidence of unpaid work experience which satisfies Australian workplace laws can be counted towards satisfying the required duration.¹¹⁰ This would, for example, include periods of unpaid work undertaken as a part of tertiary education and which fall into the 'vocational placement' exemption in the *Fair Work Act 2009* (Cth).¹¹¹ As a consequence, the mandatory practical work undertaken by student teachers, nurses and veterinarians as a part of their

effects 10 years on: see Dan Andrews et al, 'The Career Effects of Labour Market Conditions at Entry' (Working Paper, 27 July 2020) <<https://treasury.gov.au/publication/p2020-85098>>.

¹⁰⁵ Catherine de Fontenay et al, 'Climbing the Jobs Ladder Slower: Young People in a Weak Labour Market' (Staff Working Paper, Productivity Commission, July 2020). In the study, the occupational score broadly represented an 'occupational ladder', with the score being a function of the average education required for an occupation and the average earnings of that occupation.

¹⁰⁶ Global Adelaide, Submission to Department of Home Affairs, Australian Government, *A Migration System for Australia's Future* (15 December 2022) 8.

¹⁰⁷ Department of Home Affairs, Australian Government, *Subclass 482: Skills in Demand Visa* (Web Page, 16 October 2025) <<https://immi.homeaffairs.gov.au/visas/getting-a-visa/visa-listing/skills-in-demand-visa-subclass-482>> This was previously known as a Temporary Skills Shortage Visa.

¹⁰⁸ A reduction from the previous requirement of two years' work experience from 23 November 2024 was announced in the 2024-25 Federal Budget Paper: The Commonwealth of Australia, *Budget Measures Budget Paper No. 2* (Report, 2024) 136.

¹⁰⁹ *Migration Regulations 1994* (Cth) Sch 2 cl 482.221, 482.231.

¹¹⁰ Email from Helen Innes (Department of Jobs and Small Business) to Joanna Howe (15 May 2018).

¹¹¹ Under the *Fair Work Act 2009* (Cth), which covers most Australian businesses and non-profit organisations, an individual undertaking a 'vocational placement' is not regarded as an employee and are not entitled

degrees would be included, as would both classroom and research experience gained by a higher degree by research student students during the course of their degree. The purpose of the relevant experience requirement was expressed as follows in the Explanatory Statement to the *Migration Legislation Amendment (Temporary Skill Shortage Visa and Complementary Reforms) Regulations 2018* (Cth):¹¹²

This measure assists in ensuring that the applicant has the skills to do the job and contribute to Australia's economy. It also encourages businesses to consider training and developing the skills of Australians before turning to overseas workers to address skill shortages. Relevant work experience will be considered in the context of the nominated occupation, and experience in related roles and flexible working arrangements may be recognized.¹¹³

When the relevant work experience requirement was first proposed by the Department of Home Affairs, some stakeholders raised concerns that this requirement 'would negatively impact the tertiary industry, the medical sector, arts and performance sector and the science and research sector'.¹¹⁴ The Department attempted to address this concern by clarifying that the relevant experience requirement 'would be assessed in a way that reflects the nature of the particular occupation, including experience in related occupations where relevant'.¹¹⁵ This response of the Department is now reflected in its current migration policy manual ('PAM3'), which provides that work experience gained whilst studying if undertaken as part of a CRICOS registered course of study may be counted as work experience where it is relevant to the occupation.¹¹⁶ This, therefore, assists international students in degree programs with a mandatory and CRICOS-registered internship component to their degree. However, internships undertaken outside of a CRICOS registered course of study must be undertaken at the skill level of the relevant occupation to be considered as work experience. Notably, these internships must also be undertaken while complying with the fortnightly work hours limit. Evidence from stakeholders suggests that this has created challenges for those in discipline areas without mandatory internships. As a consequence, the 'skilled visa system does not easily allow international graduates of some Australian courses to gain subsequent visas'.¹¹⁷ It is likely that the imposition of the work experience requirement as a precondition for the SID increases pressure on international students to find work relating to an occupation eligible for sponsorship under the SID visa both during their degree and

to the minimum wages, leave entitlements or other benefits and protections offered by the *Act*: see ss 12, 13, 15, 30C and 30M.

¹¹²The *Migration Legislation Amendment (Temporary Skill Shortage Visa and Complementary Reforms) Regulations 2018* (Cth) introduced the SID visa in March 2018.

¹¹³Explanatory Statement, *Migration Legislation Amendment (Temporary Skill Shortage Visa and Complementary Reforms) Regulations 2018* (Cth) 7.

¹¹⁴*Ibid* 83.

¹¹⁵*Ibid*.

¹¹⁶Department of Home Affairs, Australian Government, *Procedures Advice Manual (PAM3)* [PSch2.482.4.4] 4.4.1.

¹¹⁷Senate Legal and Constitutional Affairs References Committee, 'Effectiveness of the Current Temporary Skilled Visa System in Targeting Genuine Skills Shortages' (Report, Commonwealth of Australia, April 2019) 21.

after graduation. The work experience requirement may encourage students to work in excess of the fortnightly work hours limit.¹¹⁸ Additionally, if they are unable to find paid work, the requirement incentivises them to accept an unpaid position in the hope that it will enable them to demonstrate their skills so as to obtain future paid employment in their nominated occupation. As noted by Birrell, this exacerbates the risk individuals in this position will be exploited:

it is very likely that immigration agents and some employers will respond to the desperation of overseas students seeking the 'relevant experience' by coming up with intern or other employment arrangements which purport to meet the requirement.¹¹⁹

Such work may well be illegal and exploitative.¹²⁰ This is of particular concern because of the number of international students it may affect. A joint Treasury and Department of Home Affairs report published in 2018 found that of 1.6 million overseas students (from all education sectors) granted a visa between 2000–2001 and 2013–2014, 16% transitioned to a permanent residency visa at some stage after arriving in Australia.¹²¹ In addition, creating a regulatory environment that encourages international students to engage in unpaid work arguably undermines labour law standards generally.¹²² According to the Migration Institute of Australia, graduate international students, therefore, have been undergoing a more 'circuitous, work experience heavy' pathway to permanent residency through the subclass 485 post-study work visa.¹²³

C Discussion

The analysis in Part V demonstrates that there are perverse incentives to perform unpaid work in order to satisfy the work experience requirements in the SID visa or low-skilled work in order to secure state and territory nomination for permanent residency which arise from our current migration settings. These settings do not allow

¹¹⁸ While no evidence of this has been found, there is evidence that international students are breaching the limit. This includes coerced breaches, where the employer coerces the international student into working longer hours for less than the required remuneration without complaint. See for example Gay Alcorn, 'Years After 7 Eleven Pay Rorting Revealed Justice Finally Done', *The Age* (online, 11 April 2022) <<https://www.theage.com.au/business/companies/years-after-7-eleven-pay-rorting-revealed-justice-finally-done-20220408-p5ac33.html>>. The specific impact of the work experience requirement on international students' work choices is a topic for future research.

¹¹⁹ Bob Birrell, 'The Coalition's 457 Visa Reset: Tougher than You Think' (Research Report, Australian Population Research Institute, August 2017) 12.

¹²⁰ Analysis of national survey data collected in 2016 estimated that at least 10% of the unpaid work experience in Australia in the survey period was potentially unlawful: see Andrew Stewart et al, 'The Nature and Prevalence of Unlawful Unpaid Work Experience in Australia' (2018) 31 *Australian Journal of Labour Law* 157.

¹²¹ The Treasury and the Department of Home Affairs, Australian Government, 'Shaping a Nation: Population Growth and Immigration Over Time' (Report, 2018) <<https://research.treasury.gov.au/external-paper/shaping-a-nation/>>.

¹²² For an analysis of the broader consequences: see Stewart et al, 'The Nature and Prevalence of Unlawful Unpaid Work Experience in Australia' (n 120); Stewart et al, 'The Regulation of Internships' (n 39) ch 4.

¹²³ Joint Standing Committee on Migration (n 92) 57.

international student graduates to demonstrate or reach their labour market potential because their pursuit of remunerated employment commensurate with their skill level is often frustrated by an initial desire of securing further stay or permanent residency. This contributes to a significant under-utilisation of their skills and attributes which produces poorer labour market outcomes for this cohort. In the long-term this may have detrimental effects on their prospects because of skills atrophy.¹²⁴

As discussed above, employer-sponsored visas place substantial pressure on international students to secure work connected with their study in order to support a visa application for further stay down the track. This is because such work will enable students to secure either employer sponsorship or work experience critical to the SID pathway. Although students have an opportunity to work during their post-study work visa, the time-limited nature of this visa means that students who have not established connections with Australian employers and Australian work experience *during* their studies will be at a distinct disadvantage in the labour market. In addition, with respect to the state and territory nomination pathway, there are opportunities for international student graduates to achieve permanent residency through performing low-skilled work well below their level of education and skill. This produces adverse economic outcomes for both the visa holder and the country as the future labour market prospects of an international student are disadvantaged as a result.

The introduction of 'two-step' or even 'multi-step' migration has meant that the performance of work can create a direct pathway from temporary migration to permanent residency.¹²⁵ This has been intensified as those seeking permanent residency are often required to transition through a number of visas to achieve this outcome.¹²⁶ In each of these visa pathways, securing paid work is the ticket to further stay. This is in direct conflict with the restrictions on the performance of paid work and completion of non-mandatory internships while studying under the international student visa. This conflict leads to an unenviable catch-22: international students may be encouraged to breach their student visa conditions by completing work in violation of visa condition 8105, or risk failing to secure a subsequent visa because they have been unable to obtain employer sponsorship or sufficient work experience in order to secure further stay upon the expiration of a post-study visa. After graduation, migration settings (especially in some sub-national jurisdictions) also lead to perverse incentives to perform low-skilled, low-paid work despite being a university graduate. It does appear that the Migration Strategy is cognisant of these challenges and tentatively moving to address them. There is a commitment in the Strategy limiting international students seeking a second visa that does not have a pathway to permanent residency while

¹²⁴ Atrophy of skills due to inadequate use was identified as a key reason for human capital obsolescence by Grip: Andries De Grip, *Evaluating Human Capital Obsolescence* Researchcentrum voor Onderwijs en Arbeidsmarkt, Faculteit der Economische Wetenschappen. ROA Working Papers No. 2, 8 E <<https://cris.maastrichtuniversity.nl/ws/files/970327/guid-15bbad04-aa8c-42a2-b303-5a91a96965aa-ASSET1.0.pdf>>.

¹²⁵ See, eg, Hawthorne (n 23).

¹²⁶ This is a phenomenon Birrell and Healy have called 'visa churn': Bob Birrell and Ernest Healy, 'Immigration Overshoot' (Research Report, Centre for Population and Urban Research, Monash University, November 2012) <<http://tapri.org.au/wp-content/uploads/2016/02/birrell-and-healy-overshoot-2012.pdf>>.

they are in Australia (that is—those seeking to engage in “visa hopping”), as it drives “permanent temporariness”.¹²⁷ There is also a recommendation to reform the current “points test” in relation to migrants to enable the better identification of migrants who will contribute to the long-term prosperity of Australia.¹²⁸ On this note, it suggests creating faster pathways for international student graduates who work in skilled jobs as opposed to those not working in skilled jobs.¹²⁹

VI Conclusion

The international education sector is Australia’s largest service-based export industry which, pre-pandemic, hosted around 759,000 international enrolments,¹³⁰ contributed \$37.5 billion to the economy and supported approximately 250,000 jobs.¹³¹ There is intense global competition to attract international students, and although the motivations of this group are not homogenous, there is clear evidence to suggest that the nexus between higher education and the ability to achieve further stay is a key driver of where international students choose to study. Equally, international students form an important component of the Australian workforce, both during their studies and as graduates, and provide a stream of strong candidates for permanent residency. Yet, the labour market outcomes of international student graduates are consistently poor as international students struggle to transition effectively into the labour market after graduation.

For most students the desired culmination of their educational journey is the transition into secure graduate employment. However, some international students are also seeking to achieve other outcomes, such as an extended stay in Australia or permanent residency. This article has explored how Australia’s migration settings are putting these two ambitions into conflict, as the desire to satisfy visa requirements perversely encourages adverse labour market outcomes for international students after graduation. Although success in the labour market is inevitably affected by many factors, there is evidence that completing internships can facilitate student’s transition into employment. However, this article has argued that certain migration settings frustrate international students’ ability to take advantage of these opportunities, which in turn impacts on their labour market performance.¹³²

First, I have identified the imposition of the fortnightly work hours limit on international students while they are studying as a barrier for this cohort in securing work experience. International students who do not have the option of a CRICOS-registered internship are forced to choose between paid work to support themselves financially

¹²⁷ Australian Government, *Migration Strategy* (Report, 2023) (‘Migration Strategy’).

¹²⁸ *Ibid* 58.

¹²⁹ *Ibid*.

¹³⁰ Australian Education International, ‘International Student Data December 2019’ (Australian Government, 2020).

¹³¹ Australian Bureau of Statistics, ‘International Trade in Goods and Services’ (Australian Government, 2020); Joint Standing Committee on Migration (n 92) 53.

¹³² Ly Thi Tran et al, “I Changed by Strategy and Looked for Jobs on Gumtree”: The Ecological Circumstances and International Graduates’ Agency and Strategies to Navigate the Australian Labour Market’ (2022) 52(5) *Compare* 822.

and internships that will improve their employability and help them meet the ‘work experience requirement’ inherent in the architectural design of visas in the skilled migration program. This is because they have a work limit of 48 hours per fortnight in which they can work during semester.

Second, I have examined how the design of pathways to permanent residence have created perverse outcomes for international students to access work which may not be commensurate with their skill level but will enable to satisfy a work requirement for further stay in Australia. For graduates, this may lead them to accept lower-skilled work in order to secure state or territory nomination for permanent residency. For students during their degree and afterwards, it may lead them to accept unpaid (and possibly poor quality and exploitative) internships to gain valuable networks, work experience and connections which put them in a better position to attract employer-sponsorship at the conclusion of their time on the Temporary Graduate Visa.

Developing precise regulatory responses to remedy this outcome is beyond the scope of this paper. However, three suggestions for potential reforms, which could positively impact the current position, are:

1. Amending regulation to ensure student’s continued successful performance in their study without imposing an arbitrary limit on working hours. Alternatively, if working hours are to remain restricted, increase the cap from the current limit to increase flexibility and minimise the regulatory contradictions discussed in this paper.
2. Excluding elective “for credit” internship courses from any restriction on working hours, even if such elective courses are not technically required for course completion and are therefore not registered on CRICOS.
3. Reconsider the link to work experience in the migration pathways post-graduation, so as to eliminate the perverse incentive for international student graduates to engage in low skilled work.

In addition, the ongoing debate about placement poverty should be extended to international students. Rather than focussing on domestic students, or students by discipline areas, perhaps the government, industry and higher education sector more broadly need to consider if students in general should receive additional support to enable them to engage in work-based learning.

While the suggestions above are preliminary, they are intended to inform rigorous debate and analysis about how Australia’s migration settings in relation to international students, and other policies, can be usefully reformed. There are strong reasons for Australia to undertake this work: to ensure that we are an attractive destination to this cohort; to maximise labour market outcomes for international students; and to ensure that we realise the economic benefit of their contribution in our labour market.

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