

International Education, Student Migration and Government Policy:

A comparative study of Australia and New Zealand

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A thesis submitted to
Auckland University of Technology
in fulfilment of the requirements for the degree
of
Doctor of Philosophy (PhD)

2014

Institute of Public Policy

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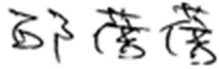
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Attestation of Authorship

I hereby declare that this submission is my own work and that, to the best of my knowledge and belief, it contains no material previously published or written by another person (except where explicitly defined in the acknowledgements), nor material which to a substantial extent has been submitted for the award of any other degree or diploma of a university or other institution of higher learning.

A handwritten signature in black ink, appearing to be '邱蓓蓓' (Beibei Chiou).

Beibei Chiou

January 2014

Acknowledgements

This thesis has taken over five and half years to complete. Over the course of study, many people have contributed to the completion of this thesis with support of many kinds.

First, I would like to express my deep appreciation for my three supervisors, Professor Marilyn Waring at Institute of Public Policy (AUT University), Professor Edwina Pio at School of Business and Law (AUT University), and Associate Professor Robyn Hollander at Griffith Business School (Griffith University). Without their wisdom, knowledge, insights, encouragements and patience, I could not have completed this thesis. The support given by Marilyn and Edwina when I relocated from Auckland to Brisbane in December 2008 continued over the duration of my thesis candidature; since Robyn joined the supervision team in May 2011, her different perspective on this research has guided me through the past two years.

The face-to-face semi-structured interviews which I conducted in Brisbane, Australia and Auckland, New Zealand were made possible with the assistance of many people and organisations. For participant recruitment in Brisbane, I am indebted to ISANA Queensland Branch, for emailing its membership; with their assistance I was able to recruit a number of education professionals. I am similarly grateful to Mr Chris Hawley, AUT Director of International Development, and Dr Andy Godfrey, Associate Dean Postgraduate Student at AUT's School of Business and Law for their referrals of potential participants in Auckland. Many of my former and current colleagues, as well as international students whom I knew through my employment also gave their support to the project through their participation in the interviews.

On a personal note, I would like to express my gratitude to my former manager at AUT's School of Business and Law, Ms Eathar Abdul-Ghani. As my line manager, Eathar supported my aspiration to undertake further education through professional development, even though it was not required in my position as a postgraduate programme officer. After I relocated to

Brisbane, Eathar continued to provide me with the advice and encouragement of a dear friend. Eathar also offered tremendous help in contacting postgraduate international students studying at AUT's School of Business and Law for the research interviews.

It has not been easy combining part-time doctoral study with full-time work. The data collection for this research was especially time-consuming, and my gratitude goes to my current manager, Ms Kimberley Cotterell-Anderson, for her tolerance and gracious support when it was necessary for me to take leave from work to undertake fieldwork. I am also grateful to my colleagues and academic staff in the Department of Marketing at Griffith Business School for the suggestions and inspiration they have given me over the past five years.

This thesis is dedicated to my beloved husband Rambod Amigh, who has always believed in me and supported me. Completing this doctoral study has not been an individual achievement but a team effort; Rambod has shared many ideas for improving this study and helped enormously in the recruitment of potential research participants. Moreover, over the last five years our time spent together has been significantly reduced, as there was always another article to read, another interview to transcribe, another chapter to write and another deadline to meet. Without Rambod's understanding and consequent compromise, I would not have been able to complete this thesis.

Finally, I wish to thank Ms Penelope Ralph for her professional assistance with editing and proofreading, and AUT University for their awarding me the Doctoral Fee Scholarship (Applied Humanities) to complete this research.

Ethical approval

This research project was approved by the Auckland University of Technology Ethics Committee on 22 October 2009, with AUTECH reference number 09/201.

Minor amendments to the application were later approved by the Executive Secretary of the Auckland University of Technology Ethics Committee on 22 April 2010.

Abbreviations

AACA	Architects Accreditation Council of Australia
ABS	Australian Bureau of Statistics
AEI	Australian Education International
ANZSCO	Australian and New Zealand Standard Classification of Occupations
AQF	Australian Qualifications Framework
Austrade	Australian Trade Commission
AUTEC	Auckland University of Technology Ethics Committee
CAQDAS	Computer-assisted qualitative data analysis software
CEC	Canadian Experience Class
CSL	Critical Skills List
DEEWR	Department of Education, Employment and Workplace Relations
DEST	Department of Education, Science and Training
DFAT	Department of Foreign Affairs and Trade
DIAC	Department of Immigration and Citizenship
DIBP	Department of Immigration and Border Protection
DIISRTE	Department of Industry, Innovation, Climate Change, Science, Research and Tertiary Education
DIMA	Department of Immigration and Multicultural Affairs
DoL	Department of Labour
EEA	European Economic Area
ELICOS	English Language Intensive Courses for Overseas Students
ENS	Employer Nomination Scheme
EOI	Expression of Interest
ESID	Essential Skills in Demand Lists
ESOS Act	Education Services for Overseas Students Act
FFPS	Full fee-paying student
FTE	Full-time equivalent
GSC	General Skills Category
GSM	General Skilled Migration

IAJ	Interchange Association Japan
ICT	Information and Communications Technology
IDP	International Development Program Education Australia
IEAA	International Education Association of Australia
IELTS	International English Language Testing System
INZ	Immigration New Zealand
IRPA	The Immigration and Refugee Protection Act
ISANA	International Education Association Inc.
ISSL	Immediate Skill Shortage List
ITA	Invitation to Apply
ITP	Institutes of Technology and Polytechnics
LTSSL	Long-Term Skill Shortage List
MBIE	Ministry of Business, Innovation and Employment
MESDC	Major English-speaking destination country
MODL	Migration Occupations in Demand List
MoE	Ministry of Education
NAATI	National Accreditation Authority for Translators and Interpreters
NSF	National Science Foundation
NZIEMN	New Zealand International Education Marketing Network
NZIER	New Zealand Institute of Economic Research
NZQA	New Zealand Qualifications Authority
OECD	Organisation for Economic Cooperation and Development
OPT	Optional Practical Training
OSC	Overseas Student Charge
PBS	Points Based System
PGWPP	Post-Graduation Work Permit Program
PMI	Prime Minister's Initiative for International Education
PNP	Provincial Nominee Program
PR	Permanent residence
PTE	Private Training Establishments
RSMS	Regional Sponsored Migration Scheme

RTO	Registered Training Organisation
SDR	Single Data Return
SMC	Skilled Migrant Category
SMP	State Migration Plan
SOL	Skilled Occupation List
TAFE	Technical and Further Education Commission
TEI	Tertiary Education Institutions
UNESCO	United Nations Educational, Scientific and Cultural Organisation
VET	Vocational Education and Training
VETASSESS	Vocational Education and Training Assessment

Abstract

This research sought to understand the relationship between international education, student migration and government policy from the experiential perspectives of international students and education professionals on the development of policies linking study and migration in Australia and New Zealand. The two research questions posed by this study were 'how the development of policies linking study and migration in Australia and New Zealand compared from 1998 to 2010', and 'how the policy development impacted international students in their transition to permanent residence'. These two research questions gave this thesis a two-part structure: the first part provided a comprehensive comparison of the development of international education and skilled migration policies in Australia and New Zealand, with particular reference to the pathways from study to permanent residency that both countries have offered since the late 1990s; the second part provided insights into how the research participants experienced the development of policies that linked international education and skilled migration in each country.

This research used Considine's policy system as an analytic instrument to draw distinctions between policy developments in Australia and New Zealand, whose respective policy systems displayed dissimilarity of policy players and considerations. While document analysis was used to establish key understandings of the development of policies linking study and migration in both national contexts, face-to-face semi-structured interviews were adopted as the primary research method to gather information on the research subject from the perspective of the research participants. Twenty-four international students and sixteen education professionals were recruited to participate in these interviews.

A clear linkage between international education and student migration was identified by the student participants and education professionals in this study, and the policy link between international education and skilled migration was found to play an important role in informing international students' decisions to apply for permanent residence in the country where they had chosen to study.

Although the policy link between international education and skilled migration applied in both countries, there were significant differences between Australia and New Zealand in their approaches to managing international students' transition to permanent residence. Furthermore, the approaches taken by the governments of Australia and New Zealand in managing changes to the policy setting were found to be very different. This divergence of approach was largely attributed to dissimilar types of immigration legislation in Australia and New Zealand. Their differences were reflected in the experiences of the development of policies linking study and migration as reported by the research participants. Experiences of adverse effects and confusion, which resulted from significant and abrupt changes to policy in Australia, contrasted with the more positive experiences reported by research participants in New Zealand, where minor and progressively implemented policy changes occurred.

In the light of changes in the policy environment, the respective policy settings in Australia and New Zealand became increasingly comparable in effect. In both countries, overseas students were obliged to transition to permanent residence via employment participation rather than by direct skilled migration. Subsequently, meeting the skilled employment requirement emerged as the key determining factor in that transition; since this development, it has become increasingly difficult for former students to obtain permanent residence through the policy setting.

This research undertook an interpretive approach to examining the development of policies linking study and migration from the perspective of international students and education professionals, as policy actors who have not been included in previous research. The incorporation of their viewpoints into the extant knowledge contributed to a renewed appraisal and understanding of the development of policies that linked international education and skilled migration in Australia and New Zealand. This approach distinguished this research from previous studies in this field, and the documentation of the subjective experiences of actors in the policy system has enriched the literature of the relationship between international education, student migration and government policy.

Part I Introduction

Chapter 1 Introduction

This research seeks to understand the relationship between international education, student migration and government policy in Australia and New Zealand from the experiential perspectives of international students and education professionals on the development of policies linking study and migration. This chapter proceeds to outline this research in five sections. Section 1.1 explains the background to this research, and how my fascination with this particular research subject came about. Section 1.2 describes the aim of this research, and delineates the scope and limits of the investigation. Section 1.3 explicates the theoretical framework used in this research. It justifies the adoption of Considine's concept of 'policy system' as a suitable analytic lens through which to view the research subject, providing as it does a systems context for the policy-making process. Section 1.4 proposes the significance of this research. It identifies a gap in the existing literature and underscores the importance of carrying out this research. Section 1.5 gives an overview of the structure of this thesis.

1.1 Background to this research

This research concept was developed in New Zealand, where I began my employment in the tertiary/international education sector. Between 2001 and 2008, I worked in various settings of education provision that included English language schools, private tertiary education providers, and a university in Auckland. In my professional capacity and through personal interactions, I saw that many international students who were interested in immigrating to New Zealand had subsequently transitioned to permanent residence after completing their studies. This observation, my own experience as an international student (further described in section 5.1), and my examination of Chinese/Japanese media, magazines and website promotions all contributed to my forming the perception that a close connection existed between international education and student migration.

Following my husband in relocating to Brisbane in December 2008, I once more observed how international students were keen to obtain permanent residence in Australia. The policy link between international education and skilled migration in Australia at that time particularly

advantaged former students in the criteria for skilled migrant selection. A large number of former students had transitioned to Australian permanent residence on completing their studies, in a policy setting that had created a powerful incentive for prospective international students to study in Australia.

Witnessing how the behaviours and actions of international students could change in accordance with the development of policies that linked international education and skilled migration, I recognised that there was not only a close connection between international education and student migration, but a relationship between international education, student migration and government policy. This recognition deepened my commitment to pursue this particular research subject.

1.2 Aim and scope

The aim of this research is to understand how international education, student migration and government policy are related, by examining selected policy actors' experiences of the development of policies linking study and migration in Australia and New Zealand. The two main questions that this study seeks to answer are 'how the development of policies linking study and migration in Australia and New Zealand compared from 1998 to 2010', and 'how the policy development impacted international students in their transition to permanent residence'.

In response to the first research question, this thesis provides an extensive comparative survey of the ways in which policies pertaining to international education and skilled migration operated in Australia and New Zealand, by inquiry into:

- (1) How had the policy settings linking study and migration in Australia and New Zealand developed?

Further to this, and in response to the second research question, this thesis provides insights into how the policy actors, namely international students and education professionals in this study, experienced the development of policies linking study and migration in each country, by asking:

- (2) Did the policy setting linking study and migration facilitate international students' decisions to study in their host country? How did international students respond to the policy setting linking study and migration?
- (3) How was the development of policies linking study and migration perceived by the research participants? What do they consider to be the factors contributing to the policy development?
- (4) How were the research participants impacted by the development of policies linking study and migration? What do they believe to be the impacts and implications of the policy development?

To establish a comprehensive understanding of the development of policies that linked international education and skilled migration, it was necessary to collect and analyse documents that gave an historical account of the policy development. The scope of document collection covered the period from early 1998, when the policy link between international education and skilled migration began to develop in Australia and New Zealand, to June 2011, six months after the fieldwork for this research was undertaken. The interviews with international students and education professionals were conducted between April 2010 and January 2011.

Furthermore, although international students could potentially transition to permanent residence in Australia and New Zealand through various migration pathways such as skilled, business, family reunion or humanitarian programmes, the specific focus of this research is the transition of international students through the skilled migration programme.

1.3 Analytical lens of this research

Easton's 'political system' and Considine's 'policy system' established the foundations for this research to investigate the policy making in international education, skilled migration, and linking study and migration.

David Easton is widely regarded as the pioneer of using policy system as an explicator of Western politics (Considine, 1994, 2005). He described politics as a system that should be understood as an open and adaptive structure. According to Easton, a political system is a dynamic process which receives demands for supports and resources (inputs), converts inputs to outputs (conversion process), then produces decisions and actions in response to inputs (output). As presented in Figure 1.1, the inputs will subsequently yield consequences (outcome)

for groups or individuals that exist in the environment (Ball & Peters, 2005; Heywood, 1994). Outcomes may then turn into further demands, thus contributing to “a continuous struggle to adapt to new pressures and opportunities” (Considine, 2005, p. 45).

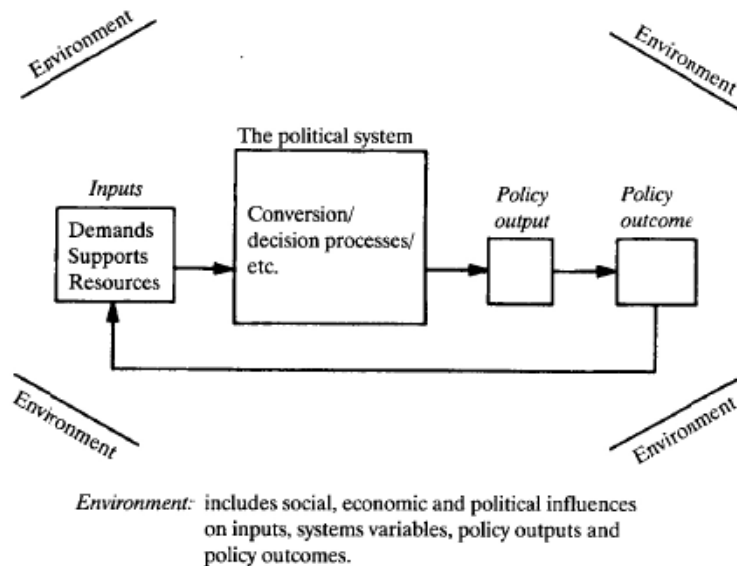


Figure 1.1. Easton's concept of a political system

Adapted from *The policy process - a reader* (p. 33), edited by M. Hill, 1997, London: Prentice.

Easton's model of a political system was built around the idea that “a system is imbedded in an environment and subject to possible influences from it that threaten to drive the essential variables of the system beyond their critical range” (Considine, 2005, p. 45). The salient features keeping a political system operating are the pressures and challenges that arise from the environment, policy responses, feedback, and continuous adjustment (Considine, 1994, 2005; Jenkins, 1997). Therefore, the survival of a political system relies on its ability to balance demands and outputs for better coexistence with its environment (Considine, 2005).

Easton's conceptualisation of a political system was innovative and influential. It broke down the complex policy-making process into different procedures to provide a simple way of visualising the operation of a political system (Hill, 1997). It has not, however, gone unchallenged. Stewart and Ayres (2001) contended that Easton's concept was “more metaphorical than methodological” (p. 82). The observations below, made by Hill and Considine, shed some light on the reasoning behind this contention.

Hill (1997) cautioned against accepting Easton's idea as a truthful description of a political system. He contended that in the real world, the policy-making process does not really take place in the orderly fashion that Easton's model suggests. In fact, a policy-making process is not a linear process; its dynamics are far more complicated. Furthermore, although there are activities that can be difficult to observe, the dynamics of policy making should not be underestimated, and the conversion processes should not be analogously simplified to a "black box" (p. 22).

From his perspective, Considine was reluctant to agree that a political system is a "goal-setting, self-transforming and creatively adaptive system" (Easton, 1965, p. 132). Considine (2005) argued that a system is not a living thing. A system does not have thoughts, goals or strategies of its own, and therefore cannot respond to influences from the environment and seek its own survival. Instead, he argued, systems were "patterns of interrelationship between actors" (p. 47). He regarded the emergence of policies as the result of interactions and conflicts between relevant actors who strive to confirm, change or even challenge certain aspects of the political system. Therefore, policies should not be understood as the creation of a political system but the achievement of relevant actors in the policy system (Considine, 1994, 2005).

Like other scholars who do not entirely agree with Easton's concept but still adopt systems approach, Considine (2005) maintained that a theoretical framework is still required to explain the policy-making process, and therefore decided to use the concept of the policy system to provide "a middle-level generalisation" (p. 48) for the purpose of policy analysis.

Considine's policy system provides this study a starting point for examining the policy setting linking study and migration. As can be seen in Figure 1.2, it consists of four elements: policy institutions, policy actors, political economy and policy culture. Easton identified government as the predominant participant, and while Considine accepted that policy-making is embedded in the everyday exercise of governmental authority, at the same time he endorsed the importance of the roles played by many policy actors in the policy-making process. In fact, the combination and interaction of policy institutions and policy actors constitutes a web of connections in a political system. In addition, in Considine's framework, a policy system is built on the dimensions of the material (political economy) and intellectual (policy culture).

Political economy and policy culture represent two distinct aspects of policy consideration, which often overlap as the policy development progresses (Considine, 1994, 2005).

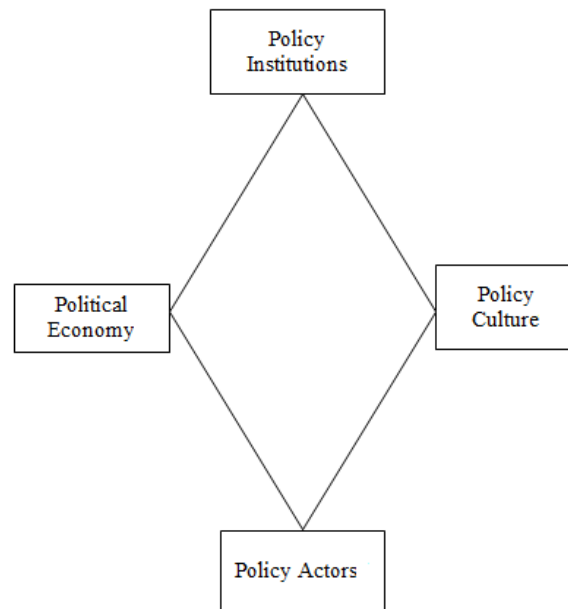


Figure 1.2. The structure of Considine's policy system

Adapted from *Public policy: a critical approach* (p. 9), by M. Considine, 1994, South Melbourne: Macmillan.

- **Policy institutions**

The analysis of a policy system begins with policy institutions. Policy institutions play two main roles in a policy system, those of constraining and steering. Policy institutions with a regulatory role translate political values and preferences into policies and political actions (Boreham, Stokes, & Hall, 2000). This type of institution provides certainty, guidance and togetherness by setting out rules and regulations (Considine, 2005). Policy institutions with an executing role define the boundaries of what is acceptable and expected in the policy system, while sending instructions to relevant policy actors on how to proceed (Considine, 1994).

- **Policy actors**

The structure of a system implies hierarchy or control (Skyttner, 1996), thus as an analytic instrument, a systems approach often represents a top-down perspective (Boguslaw, 2001;

Pickel, 2007). To provide a different perspective requires giving equal recognition to policy actors, even though many do not have a distinctly identified role (Considine, 1994, 2005), and this is one merit of using Considine's framework in this study. Policy-making may be greatly engaged in the routine practices carried out by policy institutions, but is also driven by policy actors who coexist in the policy system. Some examples of policy actors include ordinary individuals, non-government organisations, political parties, interest groups, professional organisations, business corporations, the media and ethnic communities (Considine, 1994).

Sometimes policy actors may share similar understandings or preferences in the policy system but not always the same stance towards a particular policy setting (Considine, 1994). Individual policy actors may not possess apparent influence in the policy-making process but when linked to a larger entity, their actions can be powerful and influential in relation to the things that matter to them (Considine, 2005).

- **Political economy**

Political economy represents the material considerations which primarily relate to the generation, allocation and distribution of resources. Resources come in various forms but are often referred to as something of value, and worth competing for. Some resources are valuable in themselves, while others are attractive because of their capacity to deliver additional advantages. Sometimes resources can also be shifted to accommodate changing political agendas or economic priorities (Considine, 1994).

- **Policy culture**

Policy culture is the intellectual and emotional part of a policy system. It constitutes the history and preferences of a policy system and its reactions to current political issues (Roskin, Cord, Medeiros, & Jones, 1997). Policy culture is not always readily recognisable because often it is implicit in the behaviours and actions of policy participants (Ball & Peters, 2005). It may be observed, however, in government publications or policy announcements. Sometimes it can be detected in the speeches and language of politicians and policy makers when they express their leanings or antipathies to particular political decisions. A policy culture may change over time

in response to new beliefs and attitudes arising within the policy system; others may be more deep-rooted and not easily superseded (Ball & Peters, 2005).

In this study, Considine's policy system provides the analytic framework for an elucidation of the ways in which individual elements interact and act upon the policy systems associated with international education and skilled migration. Further discussion of the application of Considine's policy system to the relevant processes of policy development in Australia and New Zealand can be found in section 5.2.

1.4 Significance of this research

Since the early 2000s, a number of studies have sought to examine the effectiveness and implications of the policy link between international education and skilled migration. It is apparent, however, that much of the research in this field has used quantitative approaches to measuring the number of international students and enrolments, or the labour market outcomes of overseas students as skilled migrants. In these studies, overseas students were treated more like statistical figures or units of labour than human beings with their own aspirations towards permanent residency. This may be because the majority of studies have been based on the perspective of governments and academics in the mainstream.

Not only is research that has used a qualitative approach to examining the policy link between international education and skilled migration rare, but research that has attempted to illustrate the perspective of stakeholders other than policy makers (and academics) is also rare. International students and education professionals in particular, although playing an important role in the policy systems associated with international education and skilled migration, have remained underrepresented in the research on this subject.

This research is significant in at least two respects. Firstly, it has provided a comprehensive comparison of the development of international education and skilled migration in Australia and New Zealand, with particular reference to the pathways from study to permanent residency that both countries have offered since the late 1990s. Secondly, since the policies allowing international students to transition to permanent residency involve a high level of

human interest and affect many people's lives, this research is significant in that it took an interpretive approach to understanding the research topic and offered an opportunity to international students and education professionals to relate their experiences of the development of policies that linked international education and skilled migration, and the impacts that changes to the policy have had on them as individuals, and the sectors they represent. Such an approach to the research has not been taken before now, and it is this approach which distinguishes this research from previous studies in this field. The incorporation of the experiences and views of policy actors who have not been represented in previous research contributes to new understandings of the policy link between international education and skilled migration in Australia and New Zealand. This, in turn, enriches what is scant literature on the relationship between international education, student migration and government policy.

1.5 Structure of this thesis

The research question of 'how the development of policies linking study and migration in Australia and New Zealand compared from 1998 to 2010' is addressed in three chapters. Chapter 2 gives an overview of international education and provides a comprehensive comparison of Australia's and New Zealand's policies to attract international students; Chapter 3 surveys the global competition for skilled workers, and reviews the skilled migration programmes in Australia and New Zealand in detail; and Chapter 4 examines the policy settings linking study and migration, with a specific focus on the development of policies in Australia and New Zealand allowing international students to transition to permanent residency. In these chapters, Considine's policy system can be used to identify two essential elements at play in the policy-making process: who are involved, and what their considerations are. In this framework, policy institutions and policy actors who play important roles in the policy system are recognised. Together with an understanding of the material and non-material considerations of each participant in the policy system, distinctions can then be made between policy developments in Australia and New Zealand respectively.

Based on insights gained from the preceding chapters, Chapter 5 applies the key components of Considine's policy system to examine the development of policies linking study and

migration in Australia and New Zealand. This chapter also describes the research methods and procedures used to collect and analyse the data on which the research is based. Chapters 6 and 7 present the research findings derived from the fieldwork undertaken in Australia and New Zealand. These two chapters respond to the research question of 'how the policy development impacted international students in their transition to permanent residence', and describe at first hand the research participants' experiences of the development of policies linking study and migration in Australia and New Zealand.

Chapter 8 presents an analysis of the major findings of this research. It discusses the implications of the findings presented in Chapters 6 and 7, examines the differences in findings between the Australian and New Zealand contexts, and discusses their meanings in the light of the comparison of policy development in the two countries documented in Chapters 2 - 4. Chapter 9 recounts the main findings of this research, addresses its limitations, considers the implications of its findings, and provides recommendations for future research.

Part II Setting the Scene

Chapter 2 International Education

The preceding chapter briefly introduced this research. It explained that the aim of this research is to understand the relationship between international education, student migration and government policy from the perspective of international students and education professionals. It also outlined Considine's policy system which is the research methodology used to examine the relevant policy-making process. Before starting the investigation, it is worth identifying where and how these three themes intersect. For this reason, the objective of this chapter is to establish key understandings of the development of international education in Australia and New Zealand, the two countries' attractiveness as study destinations, and the importance of international education to both countries.

This chapter is divided into four sections. Section 2.1 provides background information about international education. It describes the development of international education from the 1950s to the 1980s; the rationales for a host country to provide international education; and the delivery of international education. It also explains the mobility of, and the global competition for international students in terms of 'push-pull' factors. Proactive policies, such as giving overseas students access to the labour market and the possibility of obtaining permanent residence, have been recognised as important pull factors for overseas students on the part of a host country. Section 2.2 illustrates international education in the context of Australia, reviewing its development from the 1980s to the present. It identifies Australia's attractiveness as a study destination and reports the statistics associated with international education. Section 2.3 follows this same structure, but in the context of New Zealand. Section 2.4 provides a brief conclusion to the chapter.

2.1 International education overview

Before the Second World War, undertaking tertiary education was a privilege available to a limited group of people. Moreover, of the even smaller group of people who were able to access tertiary education outside their home countries, the majority were inclined to study in European and North American countries whose education systems were considered more

established (Megarrity, 2007b). In the wake of the War's end in 1945, international education began to develop rapidly. Not only had the number of countries providing educational services increased, the numbers of students studying outside their home countries had also grown substantially (Mazzarol & Hosie, 1999). Much of the development in international education could be attributed to the educational aid programme established under the Colombo Plan.

In January 1950, several foreign ministers from countries of the British Commonwealth met in Colombo, Ceylon (now Sri Lanka) to discuss matters of economics, regional affairs and international politics that were relevant to Commonwealth nations (Auletta, 2000). As a result of the meeting, the Colombo Plan was launched with the intention to garner collaboration from individual member countries¹ to assist economic development and social stability in the newly independent nations of South and South-East Asia (M. Kumar, 2005; Ministry of Education, 2001; Sidhu, 2002; Smith & Rae, 2006).

There was no master plan set out under the Colombo Plan; instead each member country was encouraged to develop its own foreign aid scheme based on specific experience and skills (McLintock, 2009). In some member countries, the Colombo Plan was generally remembered for the educational aid programme which brought Asian students to study in the country (G. Davis, 2009; Tarling, 2004). The tuition fees of the Colombo Plan students were paid in full or substantially subsidised for the course of their studies through scholarship or fellowship agreements between their home countries and the host countries (F. L. Collins, 2006; Kendall, 2004).

Colombo Plan students were characteristically "male, from wealthy, middle class families, already educated, and able to speak adequate English" (Oakman, 2002, p. 95). They studied in those fields which would contribute to future nation-building projects in their home countries (Asia2000 Foundation, 2003; F. Rizvi, 2005). Since the educational aid programmes were intended to equip students with the skills and knowledge that could assist the economic, social

¹ The initial members of the Colombo Plan in January 1950 included Australia, Canada, Ceylon, India, New Zealand, Pakistan, and the United Kingdom. Since then the member list was extended to include Burma, Cambodia, Indonesia, Laos, Malaya, Nepal, the Philippines, Thailand, Vietnam, Japan, the United States and Singapore. The membership of the Colombo Plan increased to 27 when Saudi Arabia joined the Colombo Plan in April 2012.

and educational development in their home countries, it was important that the sponsored students returned home upon completion of their studies to make this positive contribution to local society (Tarling, 2004). Only a small number of the Colombo Plan students ended up settling in their host countries, after marrying local residents.

Throughout the 1950s and 1960s there was no great differentiation between the Colombo Plan and private overseas students. Under similar arrangements, many private overseas students also came to study in the host countries. To some extent, these private students were not unlike the so-called 'self-funded' students of today, not being sponsored by any government scheme. In other ways they were dissimilar; these private students paid the same tuition fees as domestic students, which were approximately one quarter of the real education cost at the time (Harman, 2004; Shu & Hawthorne, 1996). Therefore, those students, although not formally 'aided' or 'sponsored', still received subsidised education at the expense of the host government (Ministry of Education, 2000; Tarling, 2004).

The necessity of differentiating 'sponsored' and 'private' students gradually emerged after the number of private students grew noticeably in the 1970s. Then, countries with better established education systems recorded especially strong growth in overseas student numbers from South-East Asia (Hall & Hooper, 2008). The increase in numbers of private Asian students was partly attributed to a lack of education capacity in their home countries. Local political instability and discrimination against ethnic Chinese in Malaysia also drove many young Chinese students overseas to undertake study (Shu & Hawthorne, 1996). In addition, the rapid economic growth and expansion of the middle/upper classes in some Asian countries further contributed to the surge in the number of students seeking education opportunities outside their home countries (Hugo, 2008).

Consequently, politicians and policy makers in the host countries began to worry that private students would soon outnumber domestic and sponsored students in the competition for available education resources (Butcher, 2009; Mills, Roseveare, Graham, & Mutch, 2005). Moreover, it was feared that if private overseas students continued to arrive in growing numbers, local education institutions might not have the capacity to take such large numbers

of students without the quality of education provided to domestic students being affected (Mills et al., 2005).

Some host governments had therefore become reluctant to continue their educational aid programmes (Mazzarol & Hosie, 1999; Naidoo, 2006). Their reluctance grew stronger when policy makers began to take a negative view towards the education programmes, and questioned the motivations of international students. For example, in Japan there was criticism of the policy whereby many Chinese students were able to travel to Japan not to study, but to make money through cheap labour participation or to obtain 'backdoor' migration entry into Japan (Liu-Farrer, 2009). Similarly, in Australia, around 75 percent of international students reportedly took advantage of the education opportunity to remain in Australia through the attainment of permanent residence during the 1970s (Megarritty, 2007a).

While many host countries began to view the provision of subsidised education to overseas students as an unnecessary financial burden on the government (Mazzarol & Hosie, 1999), some of them came to realise that education could be put into a different context. Specifically, if overseas students were prepared to pay for it, then education, like many other commodities, could be traded in exchange for revenue generation (Ahern, 2009; Tarling, 2004). Before long, the concept of 'commercialising educational services' had become widespread throughout the world.

In 1976, the Canadian federal government suggested introducing differential tuition fees for international students to enable the provinces to generate additional revenue from providing educational services. This suggestion was readily adopted by many provincial governments, and by 1982 all but four Canadian provinces began to charge international students differential tuition fees (Canadian Federation of Students, 2009). Subsequently, the United Kingdom also decided to charge international students the full cost of tuition fees in 1980, followed by Australia in 1985 (Adams, 2007; Kendall, 2004), and New Zealand in 1989 (Ministry of Education, 2001; Smith & Rae, 2006).

In one of the most important events in international education during the 1980s, the emphasis in the provision of international education shifted from 'aid' to 'trade'. This shift transformed

international education from a taxpayer-subsidised social activity to a market-driven profitable industry (Naidoo, 2007b). From the mid-1980s, international education entered a new era in which international students became a valuable commodity for which to compete (Shinn, Welch, & Bagnall, 1999).

2.1.1 Rationales for providing international education

What does a host country want to achieve by providing educational services to international students? Their rationales can be complicated and may change overtime. In the years following the Second World War, the educational aid programmes established under the Colombo Plan were widely publicised as a great effort made by wealthy Commonwealth nations to improve the economic and social situations in less developed countries (F. L. Collins, 2006; McLintock, 2009; Naidoo, 2006; Shu & Hawthorne, 1996; Tarling, 2004). Providing educational services to students in the target region was considered a part of the humanitarian responsibility of more affluent advanced countries.

Along with making this generous gesture, some member countries also hoped to establish mutually beneficial relationships with supported countries through their educational aid programmes (Ziguras & Law, 2006). Many of the Colombo Plan students were destined to be future leaders in their home countries; through sponsorship to study, host countries would help students to develop an understanding of the host culture, and establish personal ties with people in the local community (Tarling, 2004). As such, since then many Colombo Plan students have been playing an important role in maintaining close diplomatic and trade relations between their home countries and the countries in which they received their education (Gribble, 2008).

In addition, educational aid programmes served a number of political purposes. The rationale was important when communist countries such as China, Vietnam and North Korea emerged during the post-war period and began to threaten the political balance in the Asia-Pacific region (Auletta, 2000). Educational aid programmes allowed Western countries to align with non-communist countries and thereby influence political stability in the region. Furthermore, some member countries also hoped to promote their own national reputation at the

international level in order to secure a better bargaining position in future diplomatic and trade negotiations (Auletta, 2000; Kendall, 2004).

Following the shift in emphasis from aid to trade in the 1980s, the rationale for providing educational services to overseas students became “increasingly economic, rather than educational or social” (Shinn et al., 1999, p. 84). Differentiated, high tuition fees paid by international students came to constitute an important source of income revenue, upon which education institutions became highly dependent in order to provide quality education to both international and domestic students (ABS, 2011). To some extent, the profits made by education institutions in providing educational services to overseas students have even helped subsidise the education of domestic students (G. Davis, 2009; Douglass & Edelstein, 2009).

As a multidimensional phenomenon, international education influences a wide range of fields which include the economic, political, social, cultural and educational (Ballingall & Smith, 2004; Naidoo, 2006, 2007b). Drawing on the literature of international education, at least three important rationales have been identified to explain a host country’s motivation for providing educational services to overseas students:

- **Revenue generation** – making money or earning profit is a major driving force for a host country to provide educational services to overseas students. Revenues generated through international education include tuition payments made directly to the education institutions, as well as the economic contribution made through international students’ expenditures on accommodation, food, transport, leisure and other services during their stay in the country. Furthermore, international students contribute to the creation of employment opportunities in education institutions and local communities. In broader terms, the presence of international students helps to sustain continuous economic development at regional and national levels (Naidoo, 2006; Suter & Jandl, 2008).
- **Improving mutual understanding** – mutual understanding includes cross-cultural knowledge and skills, intercultural experience, global connection and international networks. By receiving international students, a host country can strengthen political

and economic links with students' home countries. Further, this affiliation may lead to increased economic competitiveness, and provide the host country with a stronger foundation for foreign and trade relations with other countries (Mallard, 2007; Suter & Jandl, 2008). From an educational perspective, overseas students add diversity to the student population, and to the learning experiences of domestic students. Through their exposure to multicultural surroundings and communication, domestic students may receive the positive effects of greater tolerance and flexibility towards cultural difference. Such qualities are increasingly considered essential in the competitive global employment market (Gribble, 2008; Ministry of Education, 2001; Suter & Jandl, 2008).

- **Acquiring human capital** – as a result of low birth rates, many developed countries are now contending with an ageing population, and labour and skilled workforce shortages. As international students have become a greater presence in the local employment market as ideal candidates for skilled positions, the acquisition of human capital by a host country has become an important rationale for attracting overseas students (Gribble, 2008; Tremblay, 2005; Verbik & Lasanowski, 2007). During and after their studies, international students provide a considerable infusion into local workforces as well as relief for immediate labour shortages. Furthermore, research students at the postgraduate level represent an intellectual resource for knowledge creation and sharing, research activities, innovation and further economic development (Altbach, 2004).

2.1.2 Delivery of international education

Educational services can be delivered in a number of ways; most often three approaches are involved, being the mobility of people, the mobility of education programmes and the mobility of an education institution (Mazzarol, Soutar, & Seng, 2003; Naidoo, 2006). Each of these approaches can function individually but in the context of modern international education they may often overlap or combine during the progress of an academic programme (Naidoo, 2006).

- **Student/academic mobility** – students physically travelling overseas to undertake study in the host country, or academics moving to students' home countries for a period of time to provide educational services (J. Knight, 2006; Naidoo, 2006).

- **Programme mobility** – educational services are delivered to students in their home countries in collaboration with local education providers through moderated programmes, franchised agreements or twinning arrangements (J. Knight, 2006). Alternatively, educational services are deliverable through e-learning or distance education. Whether educational services are delivered via face-to-face or virtual mode, in the case of programme mobility, the foreign education institutions are usually obliged to monitor the delivery and quality assurance of the academic programme (Pyvis & Chapman, 2007).
- **Education institution/provider mobility** – a foreign education institution establishes a physical facility or an offshore campus in conjunction with local joint-venture partners or through direct investment in students' home countries (J. Knight, 2006). In the case of education institution mobility, educational services can be delivered by a combination of academic staff from foreign education institutions, and staff employed locally in the home country (Pyvis & Chapman, 2007).

The traditional approach to international education has been student mobility, but the approaches of academic, programme and education institution mobility have also gained popularity in Asian countries since the 1990s. This development has been driven mainly by countries wanting to develop their own higher education capacity (J. Knight, 2006). Consequently, a student can now earn a degree from a foreign education institution without ever setting foot in the country where the education institution is primarily situated.

The development of programme and education institution mobility can, however, create complications associated with the delivery of educational services. Sometimes the regulatory framework in the provider country does not necessarily apply to education approaches that take place outside the national education system (Altbach & Knight, 2006). Because of this, important issues such as registration, licensing, quality assurance, programme accreditation and qualification recognition, still need to be determined and regulated between the education institutions in students' home countries and the provider countries (J. Knight, 2006).

2.1.3 Definition of international student

International education requires the presence of international students. International students are, in general terms, people travelling outside their home countries to undertake education (Naidoo, 2007b). On other occasions they may be called foreign students, overseas students, full fee-paying students (FFPS), terms which are all used interchangeably throughout this thesis.

International students are not only designated variously; host countries often define them differently. For instance, in Canada, foreign students have, since 2002, not needed to obtain a permit to study if their chosen course is less than six months' duration. Therefore, 'foreign students' in Canada are specified as temporary residents who have gained permission from an immigration officer to study a course of a duration longer than six months (Verbik & Lasanowski, 2007).

In the United Kingdom, 'international students' are distinguished by their domiciliary address. Therefore, a British passport holder might also be classified as an international student if he/she is living in any country outside of the European Union (University of Wales Institute Cardiff, n.d.). In the United States, a foreign student is someone who is neither US citizen, immigrant nor refugee when enrolling in a course at an education institution (Hazen & Alberts, 2006). In this case then, any student without permanent or long-term resident status will be regarded as a foreign student (American Council on Education, 2006; Hazen & Alberts, 2006; Verbik & Lasanowski, 2007).

In Australia, citizenship and residence status are used to determine whether a student is a domestic or international student (DEST, 2004). By definition, a domestic student is an Australian citizen, a holder of Australian permanent status, or perhaps a New Zealand citizen (DEEWR, n.d.). Hence international students are simply all others who are studying in the country, and they include diplomats or the dependants of diplomats from countries other than New Zealand. There are, however, some exceptions. For example, students who are recipients of Australian government scholarships or sponsorships, and who are studying on temporary visas such as working holiday or tourist visas, are not considered international students in the statistical reports associated with international education (DEST, 2004; Sidhu, 2011; Verbik & Lasanowski, 2007).

In New Zealand, anyone without domestic status and wanting to attend a course for three months or longer is required to obtain a student visa. The category of domestic status is defined in a complicated list of the following groups of people:

- A New Zealand citizen, including citizens of the Cook Islands, Niue and Tokelau;
- A New Zealand permanent resident living in New Zealand;
- An Australian citizen living in New Zealand;
- An Australian permanent resident who has a returning resident's visa and is living in New Zealand;
- Certain exchange students, for example students under a government-to-government or private exchange scheme which has been approved by the government;
- Certain dependants of diplomatic personnel, for example dependent and other family members of diplomatic personnel who are citizens of a country with which New Zealand has a reciprocal agreement on tertiary fees;
- A person with refugee status who is required to complete a prescribed course of study or training to satisfy residence requirements. Usually a refugee needs to study an English language course arranged by the Refugee and Migrant Service to qualify as a domestic student; and
- An international student enrolling in a recognised Doctor of Philosophy (PhD) programme in a New Zealand university, and who is supervised by a leading New Zealand university researcher. However, the student must live in New Zealand for the duration of study, excepting temporary absences to undertake research overseas (Ministry of Education, n.d.).

The descriptions above indicate the potential complexities of comparison in international education. For this reason, a number of transnational attempts have been made to improve the documentation of international students and thereby reduce or eliminate the confusion over their status that may result from inconsistency of definition. In 2006, the United Nations Educational, Scientific and Cultural Organisation (UNESCO) proposed the term 'internationally mobile student' and urged host countries to use this description to differentiate domestic and international students. According to UNESCO, internationally mobile students are people who do not have permanent residence in the host country, who did not complete their entry qualification to their current study in the host country, and who travelled to the host country for the purpose of studying (American Council on Education, 2006). Another attempt was made by the Organisation for Economic Co-operation and Development (OECD). Since its 2006 edition of *Education at a Glance*, the OECD has been using the term

‘international students’ to define students “who expressly cross borders with the intention to study” (Verbik & Lasanowski, 2007, p. 3).

Both of these definitions could potentially establish better distinction or recognition of international students; however, their adoption still depends on each host country’s willingness and dedication. While a variety of definitions of the term ‘international students’ has been suggested, this research will use this term in its broadest sense to refer to people who have obtained a student visa to study in the host country and travelled to the host country to study. Due to the nature of this research, the question of intention on the part of international students is of no particular relevance.

2.1.4 Mobility of international students

The movement of international students has been recognised as an increasingly important component of the international migration system (Szelenyi, 2006). In 2011, there were 4.3 million tertiary students studying outside their home countries. Of this number, Asian students formed the largest group, and accounted for 53 percent of international student mobility throughout the world (OECD, 2013). While this representation might help to explain the often-heard generalisation that international students are ‘Asian’ students, it is worth noting here that the population of overseas students is far more diverse than is broadly – and often mistakenly – perceived.

When international students make decisions about studying abroad, they are influenced by a number of contributing factors. McMahon’s ‘push-pull’ model, using an outbound ‘push’ model and an inbound ‘pull’ model to explain the flow of international students, was elaborated by Mazzarol and Soutar (2002) and has been widely cited by many other scholars. The ‘push-pull’ model suggested that overseas students are ‘pushed’ out of their home countries on the one hand, and ‘pulled’ to a particular study destination on the other (McMahon, 1992). The following sub-sections explain the ‘push-pull’ factors in detail.

2.1.4.1 The push factors

The 'push' factors underlie a student's motivation to study overseas (Mazzarol & Soutar, 2002). In the past, many students sought education opportunities overseas because their home countries were unable to meet the demand for higher/tertiary education. The movement of international students to developed countries was often attributed to a lack of adequate education capacity and opportunities in developing countries (Mazzarol & Hosie, 1999; Naidoo, 2007a).

Sometimes students have sought education opportunities overseas because they are denied by the local education system, or they have been unable to obtain entry into their preferred education institution in their home countries. Or, a social trend of studying abroad may have arisen in the home country, with international experience becoming highly regarded (Altbach, 2004; Yang, 2007). At other times, students are pushed out of their home countries by unfavourable social conditions, political circumstances or other restrictions at home (Altbach, 2004).

The 'push' factors are not always associated with negative forces. For example, students may want to develop stronger linguistic ability, or acquire international experience and better intercultural understanding through overseas education (Naidoo, 2006). Therefore, the following can also be considered as 'push' factors that facilitate a student's decision to study overseas: (1) academic achievement such as internationally recognised qualifications and professional academic development; (2) economic reward, which includes better prospects for future employment and higher income earnings; (3) social and cultural advantages such as individual internationalisation, international exposure, cultural awareness and cross-cultural experience (Pyvis & Chapman, 2007); and (4) political benefits including higher social recognition and possibly, superior political influence (Binsardi & Ekwulugo, 2003; Cubillo, Sanchez, & Cervino, 2006; Li & Bray, 2007).

'Push' factors are generally related to economic, educational, social and political situations within the home country (Mazzarol & Soutar, 2002; Yang, 2007). While they may generate a demand or an interest that encourages students to seek education opportunities abroad, they do not give any specific indication of potential study destinations (T. Davis, 1995).

2.1.4.2 The pull factors

Once a decision to study overseas has been made, students are then 'pulled' to a particular study destination by factors that are associated with the characteristics of the study destination (Mazzarol & Soutar, 2002; Yang, 2007). To illustrate, the 'pull' factors are those features of a study destination that appear attractive to overseas students, such as a common language, a close economic tie, or a political affinity or historical/cultural link between the home country and the study destination. These features can all be considered potential 'pull' factors of the study destination (Mazzarol & Soutar, 2002).

Mazzarol and Soutar (2001, 2002) identified at least six 'pull' factors that may influence students' decisions about their study destination. The first is a student's general knowledge and perceptions of the study destination; this includes accessibility of information about the study destination, how much information is available, and whether students can obtain the information with ease. This explains the importance of regular attendance by representatives of destination countries at education fairs in the target student markets, and for education providers to provide information that is as comprehensive as possible on relevant education marketing websites, or through their overseas representatives. The reputation of the education system in the study destination, and how well its qualifications are recognised in the home country will also influence students' decisions.

The second factor is the referral or recommendation students may have received either through 'word of mouth' or from parents, families, relatives, friends or other trustworthy sources. As suggested by Cubillo et al. (2006), parental endorsement is often one of the most influential factors affecting a student's selection of a study destination. This may be especially true in the many cases where a student's overseas education is supported financially by their parents or families.

The third factor is the consideration of relevant costs and benefits. The cost considerations include time and economic costs before and during study, such as average tuition fees, living expenses in the study destination, the fees and time taken for the visa application, and how long it takes to complete the academic programme in the study destination. Since international students may be very sensitive to economic considerations, currency exchange rates between

the home country and the study destination can sometimes be a highly influential factor. At other times, the availability of scholarships, student work rights, and future employment prospects are also taken into considerations of cost (Cubillo et al., 2006). On the other hand, the benefit considerations comprise of a package of education products such as educational quality and reputation in the study destination, associated student services, and administrative support in the education institution.

The fourth 'pull' factor is the study destination's living environment, which includes climate, lifestyle, safety, and crime rate. How local communities behave towards foreigners and the potential for racial discrimination may also strongly influence students' choices. The fifth factor to pull a student is distance, geographic and in time, between the home country and the study destination. In Australia, the preference of many Asian students for Perth as a study destination may be explained by its time zone proximity to that of their home countries.

The sixth factor of influence is the social link, whereby students have family or friends living in the study destination and/or a family member or friend who has previously studied there (Yang, 2007). The existence of an established population of students from the same country may sometimes offer emotional comfort to students, and make adapting to a new environment easier (Mazzarol & Soutar, 2002).

In addition to these six 'pull' factors suggested by Mazzarol and Soutar (2002), other researchers have indicated that proactive immigration policies in the study destination can also be considered influential factors (Coulon & Davis, 2008). For example, straightforward visa application procedures, access to the labour market during and after study, and the possibility of migration are powerful influences on students' decisions (Hawthorne, 2008a; Yang, 2007). In particular, it is the desire of international students to immigrate to the host country that has been identified by many previous studies as one of the most important factors for students from developing countries to undertake international education in a developed country.

2.1.4.3 Beyond the classic 'push-pull' model

McMahon's 'push-pull' model is valuable in understanding international student mobility but it does, however, place too much emphasis on the economic, social and political differences

between the home country and the study destination. This model does not take into account individual differences and personal circumstances that may also be factors in students' decisions (Naidoo, 2007b). As groups of diverse individuals, overseas students have distinctive characteristics of gender, age, academic ability, aspiration, social capital and socioeconomic status. Moreover, their decisions are often made under the influence of significant others. Because of this, international students rarely respond to similar influencing factors in exactly the same way (L.-H. Chen, 2007; Li & Bray, 2007).

In addition, the one-way 'push-pull' model can be expanded by reversing the direction of 'pushing' and 'pulling' forces between the home country and the study destination. By way of illustration, if there are forces pushing students out of their home country, there will be forces exerted from the opposite direction to keep students at home. The 'pull' factors in the home country include a student's desire to stay with families and friends, familiarity with the local education system and employment environment, and established professional network and connections. Improvement in the home economy, or enhanced education capacities in the home country may also reduce the demand for overseas education. The 'push' forces, on the other hand that may act to deter students from going overseas, or from a particular study destination, include rising tuition fees and living expenses associated with overseas study, the uncertainty students may feel about the future, restrictive government policies or immigration requirements in the study destination, or negative publicity about the study destination (Li & Bray, 2007).

Moreover, these 'push-pull' factors do not only exist between the home country and the study destination. As will be illustrated in the following sub-section, the interplay between traditional study destinations and intervening factors, such as new players entering the lucrative international education market, also plays a role in the decisions that are made by students about their study destinations (Alberts, 2007).

The 'push-pull' model has evolved from its classic one-way direction, to two-way directionality as the concept of reversal suggests, to multi-directional dynamics that can be observed in the global competition for international students.

2.1.5 The global competition for international students

Among study destinations around the world, non-English-speaking countries such as Germany, France and Japan have long been important players in the international education market (Mazzarol & Soutar, 2002; Naidoo, 2007a). However, the predominance of English as a global language has definitively advantaged English-speaking countries in the recruitment of international students (C. Chen & Zimitat, 2006; Skilbeck & Connell, 2006). Major English-speaking destination countries (MESDC) including the United States, the United Kingdom, Canada, Australia and New Zealand attracted around 42 percent of the total tertiary education market in 2011 (OECD, 2013).

The United States has been the primary study destination, and where most international students want to study. Although its market share has been impacted by the increasing competition for international students, dropping from 40 percent in the 1980s to about 32 percent by 1998 (Witt, 2006), the United States continues to be the most popular study destination in the world. According to the OECD data, the US attracted 16.5 percent of international tertiary students worldwide in 2011 (OECD, 2013).

There are many 'pull' factors contributing to the United States' attractiveness as a study destination. For example, the factors of its dominant economy, cultural diversity, advanced scientific development and technology, prestigious higher education institutions, the curriculum system, and cutting-edge research and innovation have all contributed to its attractiveness and popularity as the preferred study destination. The US has also enjoyed a superior position and influence in world news and cultural media, which has cultivated general perceptions and knowledge that people have of the United States (Altbach, 2004; Douglass & Edelstein, 2009).

However, the year of 2001 marked for many people a turning point in their perception of the United States. Following the events of September 11, international students, especially from China, and the Middle East and other Islamic countries, experienced significant delays in obtaining student visas and uncertainty in visa processing (Batalova, 2007; Lowell, Bump, & Martin, 2006). Many students, although they might have preferred the United States as a first-

choice study destination, were pushed towards other English-speaking countries because they were unable to obtain entry into the US, or could not wait any longer (Bain & Cummings, 2005).

The onerous government regulations and immigration procedures not only affected new students seeking entry into the US for the first time, but also existing students who were not able to return and resume their studies after travelling abroad (Witt, 2006). Intentionally or not, the restrictive immigration processes sent a strong message to overseas students that they were no longer welcome in the United States (Bagnato, 2005; Bain & Cummings, 2005; Katz, 2006; Skilbeck & Connell, 2006).

As a consequence, the number of foreign students studying in the US declined by 2.4 percent in 2003 (Witt, 2006). Many people in the international education sector blamed the decline on the tightening of immigration regulations and the security vetting introduced after the events of September 11 (Hugo, 2008; Parker, 2008). However, others argued that the United States had been losing its attraction for students even before 2001 (American Council on Education, 2006; Bain & Cummings, 2005; Lowell et al., 2006).

Specifically, several factors which worked against the US in the recruitment of international students have been cited. First, US foreign policy has a negative effect on prospective students and has persuaded them against studying in the US (Lowell et al., 2006). Second, compared to other study destinations that were actively recruiting international students, the United States was perceived as a dangerous and hostile study destination (Alberts, 2007; Altbach, 2004). Third, the combined impacts of the 1997 Asian financial crisis, the early 2000s economic recession, and the high cost of US education played a major role in pushing international students towards other, cheaper study destinations (Hawthorne, 2008a; Lowell et al., 2006; Naidoo, 2007a). As a result, the United States has gradually lost its superior status as the most preferred study destination.

Because of its market size and long-established academic reputation and political influence in the world, the United States will remain a dominant player in the international education market in the coming years (Sidhu, 2011). In addition, the US will continue to be the first

choice of study destination for advanced scientists and researchers (She & Wotherspoon, 2013). However, challenged by aggressive international marketing strategies from other study destinations, an important agenda for the United States is to retain its leadership and competitiveness in the international education market (Altbach, 2004).

Second in preference to the US, the United Kingdom attracted 13 percent of the total tertiary education students in 2011 (OECD, 2013). The United Kingdom's attractiveness as a study destination is attributed to its distinguished higher education institutions, their education standards, and prestigious teaching and learning environments. In comparison with the US, the UK not only offers the opportunity of learning the English language, but also a British education experience and distinctive cultural traditions (Maringe & Carter, 2007).

In 1999 and 2006 respectively, the UK government carried out the Prime Minister's Initiative for International Education (PMI and PMI2) to strengthen its appeal to international students. The PMIs were intended to improve the study experience of overseas students, and win a greater global share in the international education market (Binsardi & Ekwulugo, 2003; Cubillo et al., 2006; Russell, 2005). More importantly, the PMIs were supported by proactive changes to relevant immigration processes. For instance, visa applications were streamlined and reduced to a 24-hour turnaround time, with a maximum of 10 days for non-straightforward applications (Witt, 2006). In the years immediately after the events of September 11, this simple and straightforward immigration process would have made the UK a more attractive destination choice than the US, had students not been deterred by the associated education costs. As a major 'push' force of the United Kingdom, international students often lamented that financial concerns and stresses were critical drawbacks to studying in the UK (Merrick, 2007; Skilbeck & Connell, 2006; Witt, 2006).

As the two most popular study destinations for international students, the United States and the United Kingdom have more famous and highly ranked universities. However, both countries are also well known for their high education costs – which could drive prospective students towards a cheaper study destination with a similar, but less prestigious, education system. Countries like Canada, Australia and New Zealand therefore had an opportunity to emerge as alternative study destinations for international students (Ma & Abbott, 2006). Like

the US and the UK, these three English-speaking countries also had that market advantage in competing in the international education market. More importantly, they were able to offer a Western academic environment at relatively low cost at the time (Witt, 2006). Table 2.1 shows that these three English-speaking countries have grown in popularity among international students since the late 1990s.

Table 2.1 *International student mobility in major English-speaking countries ('000s)*

Country	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
US					284	293	234	216	219	238	274
UK	48	71	67	68	76	70	99	118	128	117	137
Australia				67	74	86	98	110	115	117	129
New Zealand			22	29	46	74	88	87	78	69	67
Canada	40	42	40	50	60	68	64	58	55	57	62

Note. Adapted from *Managing Highly-Skilled Labour Migration: a comparative analysis of migration policies and challenges in OECD countries* (p. 24), by J. Chaloff & G. Lemaitre, 2009, Paris: OECD.

In light of what happened in the US after 2001, Canada revised its immigration policies and reduced entry requirements accordingly, with the intention of becoming a substitute study destination for international students whose first preference had been the United States. From June 2002, under the *Immigration and Refugee Protection Act (IRPA)*, international students wishing to undertake courses in Canada for the duration of six months or less were no longer required to apply for a study permit (Mueller, 2006).

Other policy initiatives, related to international students' work rights, were also made throughout the country (AEI, 2003, 2005). Full-time students with valid study permits were allowed to work on the campus of the education institutions they were attending, without a work permit. In April 2006, an off-campus work permit was introduced. This enabled international students attending publicly-funded post-secondary education institutions to apply for and obtain the right to work off-campus for a maximum of 20 hours per week, after six months of full-time study (CIC, 2008b; Gribble, 2008; Sikand, 2007). Although its number of international students had been fluctuating, Canada attracted 4.7 percent of the total tertiary education students in 2011 (OECD, 2013).

Before proceeding to a detailed description of the international education sector in Australia and New Zealand, it is noteworthy that the major English-speaking study destinations must

not only compete with each other for international students, but must also field increasing competition from the traditional sending countries (Alberts, 2007). As previously discussed in section 2.1.2, some Asian countries have, since the 1990s, been actively investing in their own higher education capacities through academic, programme, and education institution mobility. As a result, those countries that have been traditional consumers of educational services, including China, Malaysia and Singapore, have also emerged as new, alternative study destinations in the competitive international education market (AEI, 2003; G. Davis, 2008).

For these new players in the international education market, improving their education capacity served both internal and external purposes in their socioeconomic development strategies (OECD, 2009). The internal purpose was to provide local students with a Western-style English teaching environment at the tertiary level without their having to travel and live overseas. The external purpose was to improve the international profile of their higher education systems in order to attract students from neighbouring countries and thus generate income revenues (Douglass & Edelstein, 2009; Harman, 2006; Naidoo, 2006). While these host countries may not offer “the immersion in an English-speaking environment” of English-speaking countries, they can provide students with opportunities to apply the English language extensively in a “more culturally familiar environment” (G. Davis, 2009, p. 761).

Of these newly emerging study destinations, China doubled its international student enrolments between 2002 and 2006 (G. Davis, 2009) and attracted 1.8 percent of total foreign tertiary students in 2011 (OECD, 2013). Singapore, still relatively less important at the global level, actively promoted itself as “the best of East and West” (Hawthorne, 2008a, p. 5) and boosted its international student enrolments by 80 percent between 2003 and 2008 (G. Davis, 2009). Similarly, Malaysia, post-September 11, has benefited by new flows of international students from the Middle East (Sirat, 2008). It has further reported a 30 percent growth in international student enrolments since 2006 (G. Davis, 2009).

Reflecting the growing importance gained by these emergent destinations in the international education market, the major English-speaking countries have already identified enrolment patterns indicating declining demand from these traditional source countries (G. Davis, 2009).

Fluctuation in market share in the international education market between 2000 and 2009 is shown in Figure 2.1.

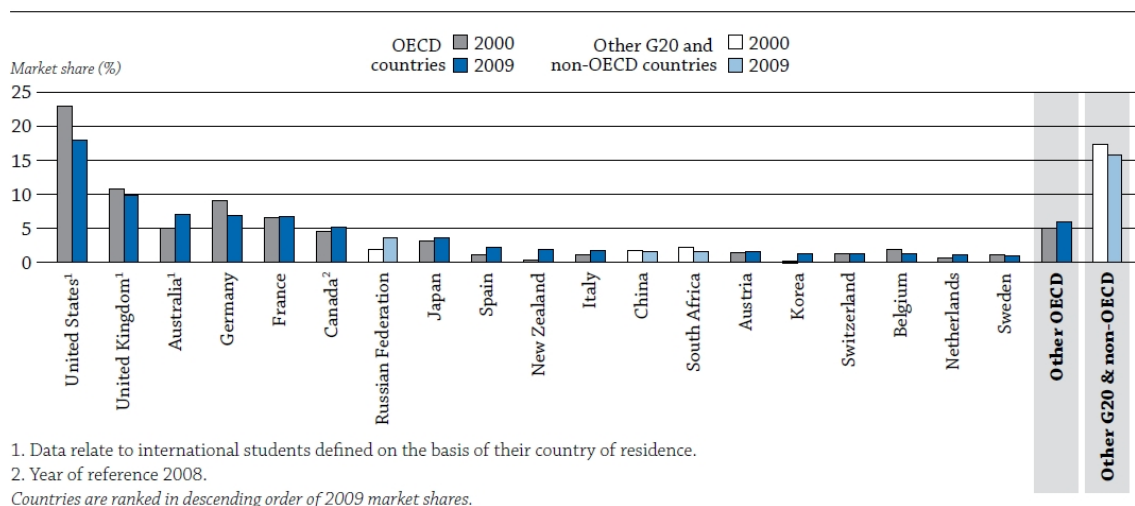


Figure 2.1. Trends in international education market share (2000, 2009)

Adapted from *Education at a glance: OECD indicators 2011* (p. 322), 2011, Paris: OECD.

2.2 International education in Australia

Although the arrival of the first international students was documented in 1904 (D. Coleman, 1997; Pyvis & Chapman, 2004), Australia had little involvement in the provision of international education until after the Second World War (Shinn et al., 1999). Even in the years immediately after the launch of the Colombo Plan, Australia's engagement in international education was largely tied to the government's foreign policy. Australia was yet to become an important player in the international education market (Duhs & Duhs, 1997).

2.2.1 Development of international education

Through its educational aid programme, Australia hosted about 5,500 sponsored students between 1951 and 1964 (Oakman, 2002). The number of Colombo Plan students was controlled by an annual quota, and increased gradually to around 20,000 by 1986 (Duhs & Duhs, 1997). Meanwhile, private international students were also admitted to Australian universities under the same conditions of fees and entry requirements as domestic students. Their number, on the other hand, grew rapidly from 3,000 in 1955 to more than 10,000 by the

beginning of the 1960s (Shu & Hawthorne, 1996). Sponsored students were thus already outnumbered by private students studying in Australia (Birrell, 1999; Hall & Hooper, 2008).

During the 1980s, Australia began to re-evaluate its approach to providing educational services to overseas students (Cuthbert, Smith, & Boey, 2008). In an early indication of the shift from aid to trade, from 1980 onwards international students were obliged to pay an Overseas Student Charge (OSC) before they could be issued with visas to travel to Australia. The amount of the OSC was about a quarter of the average tuition fees for an Australian university degree at the time (G. Davis, 2009).

In 1985, the government introduced the category of full fee-paying overseas students, to distinguish domestic and international students (Adams, 2007; Kendall, 2004). This allowed education institutions to provide educational services on a commercial basis by charging foreign students the full education cost (Hall & Hooper, 2008). This change was welcomed by education institutions because it gave them the liberty to acquire additional funding by recruiting overseas students, particularly in the light of their experiencing financial constraints in government budgetary support (Lazenby & Blight, 1999).

After 1986, private overseas students no longer had to prove that the education course they were intending to undertake in Australia was not available in their home countries. Instead, overseas students were allowed to enrol in any course in Australia, providing that they met the entry requirements, were offered a place in a government-recognised education institution, and had paid the requisite fees (Megarrity, 2007a). Subsequently, visa restrictions for full-fee-paying foreign students were relaxed, and all quotas on the number of private international students enrolling in local education institutions were removed in 1988 (Shu & Hawthorne, 1996).

Throughout the 1990s, the number of private international students studying in Australia increased considerably. There was a number of internal and external factors contributory to this growth. Internally, the government's decision to reduce its financial contributions to higher education had encouraged many Australian universities to focus on recruiting overseas students through extensive promotion and recruitment strategies (Megarrity, 2007a; Shinn et al., 1999). The aggressive marketing strategies and initiatives undertaken by the Australian

government to support the recruitment of international students also proved to be successful (Le-Ba, 2007). Externally, some Asian countries happened to experience a period of rapid economic development which subsequently contributed to a greater demand for overseas education (Linacre, 2007). As a result, the number of private Asian students studying in Australia grew from 1,019 in 1987 to 46,520 in 1995. Asian students accounted for almost 90 percent of all overseas student enrolments in Australian universities at that time (Duhs & Duhs, 1997). In the late 1990s, Australia took advantage of the weakened value of the Australian dollar by promoting itself as a more cost-effective study destination than the US and the UK. This strategy won Australia even more attention and popularity as a study destination among students from Asian countries that had been badly impacted by the economic crisis in 1997 (Cohen, 1998).

In the few decades since the launch of the Colombo Plan, Australia has become an important player in the international education market, and the third most popular English-speaking study destination in the world for international students (AEI, 2007b; Binsardi & Ekwulugo, 2003; Yang, 2007). According to OECD data, Australia attracted 6.1 percent of international tertiary students worldwide in 2011 (OECD, 2013).

Over the years, Australia has maintained a strong position in the global competition for international students and has developed a niche market focusing on providing higher and vocational education to developing countries in the Asia-Pacific region (Harman, 2004). From the early 2000s, driven by its policy setting linking study and migration, Australia's international education industry experienced unprecedented growth. Further discussion of this policy setting will be made in Chapter 4.

A number of important milestones in the development of international education in Australia are shown in Figure 2.2 (ISANA, 2008; Meiras, 2004).

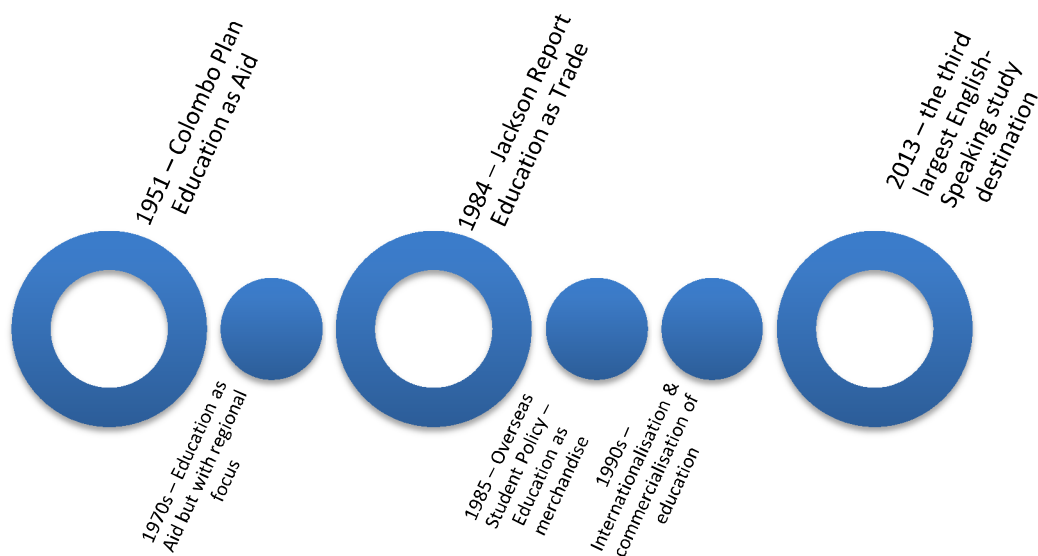


Figure 2.2. Development of Australia's international education

Adapted from "International education in Australian universities: understandings, dimensions and problems", by S. Meiras, 2004, *Journal of Higher Education Policy and Management*, 26(3), p. 373.

2.2.2 Australia's attractiveness as a study destination

Australia's popularity as a study destination is attributable first and foremost to the overwhelming demand for English as the common language of international trade. Australia has also benefited from its long-standing diplomatic and close trading relationships with Asian countries that were established through the educational aid programme. As many developing countries were unable to meet their local students' demands for higher/vocational education at the time, Australia was quick to capitalise on their lack of capacity and provide educational services to a large number of Asian students (Gribble, 2008).

Moreover, Australia enjoyed a superior marketing advantage in those traditional student markets where the Commonwealth heritage was shared, such as Hong Kong, Malaysia and Singapore. After the abolition of the 'White Australia' policy in 1973, Australia branded itself with especial diligence as a safe and friendly study destination (Shinn et al., 1999). This strategy

seemed to pay off, with more international students successfully encouraged to study in Australia.

Over the years, Australia has also established an international reputation and recognition for higher educational qualifications which many Asian students prefer to those offered by their local education institutions (Pyvis & Chapman, 2007). What made Australia an even more attractive study destination were its comparatively low study and living costs in the early 2000s (G. Davis, 2008; Hall & Hooper, 2008). Despite the rising Australian dollar disadvantaging that position since 2003, Australia is still considered a relatively cheap study destination when compared with the more prestigious study destinations, the US and the UK.

More importantly, Australia has long been an attractive study destination because it provides international students with generous access to part-time work during study, irrespective of their programme or duration of study (Coulon & Davis, 2008). As early as the 1980s, a large number of Chinese students were drawn to Australia because they were allowed to work part-time, and through local labour market participation they were able to earn higher wages than was possible in China (Megarritty, 2007a). This policy was further liberalised after April 2008, when work rights were embedded in the student visa and international students no longer had to apply for authorisation to work (Chaloff & Lemaitre, 2009).

Furthermore, Australia's range of proactive policies also includes allowing international students to bring their spouses, who are given certain rights to work legally in Australia.² Other policies, such as those which allow students to remain in Australia and work for an extended period after study, and the opportunity to apply for and obtain permanent residence, also provide international students with a strong incentive to study in Australia. Further discussion of the impacts of these policies on Australia's international education will be made in section 4.3.

2.2.3 Quantifying Australia's international education

² Spouses of postgraduate students can work full-time and spouses of vocational or undergraduate students can work up to 20 hours per week.

International education is important to Australia in a number of ways. However, as a powerful generator of export revenues, the financial benefits to Australia of international education seem more obvious than its political, social, educational, cultural or diplomatic benefits. The following sub-sections use international student numbers, international student enrolments³ and the quantitative economic impact of international students to illustrate the importance of international education to Australia.

2.2.3.1 International student numbers

Australia witnessed a massive growth in the number of international students over the last decade of the twentieth century, an increase from around 47,000 in 1990 to 188,000 by 2000 (Council of Australian Governments, n.d.). Figure 2.3 shows that between 2002 and 2009 the number of international students studying in Australia grew remarkably until 2009/10, when Australia encountered its first decline after many years of continuous growth (AEI, 2007a, 2008, 2009, 2010d, 2011, 2013).

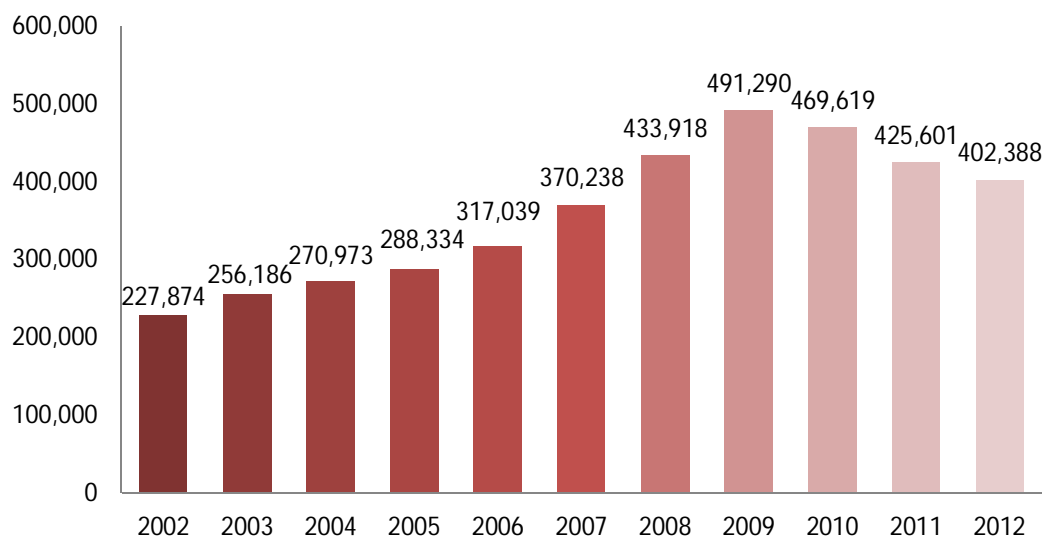


Figure 2.3. International student numbers by year, 2002 – 2012

Adapted from International student numbers Research Snapshots, 2007-2013, Canberra: AEI.

2.2.3.2 International student enrolments

³ It is important to note that the actual number of international students is often less than the number of international student enrolments, because individual students may enrol in more than one course at the same time.

In 2007, Australia recorded approximately 455,000 international student enrolments, among which Asian students accounted for more than 70 percent (DFAT, 2008; Hall & Hooper, 2008). In Australia, international student enrolments are reported by education sector – Higher Education, Vocational Education and Training (VET), English Language Intensive Courses for Overseas Students (ELICOS), schools, and other⁴ (AEI, 2011). Higher education has traditionally attracted the majority of international student enrolments in Australia but from 2005, the VET sector began to thrive and seized a considerable amount of market share from higher education.

As shown in Figure 2.4, the VET sector almost replaced higher education as the largest education sector for international enrolments in 2009 (AEI, n.d.). International student enrolments in the VET sector recorded a growth of 33.3 percent on 2008 figures, compared with 12.1 percent in higher education (AEI, 2010b, 2010c). However, this rapid growth in the VET sector was not sustainable, driven as it was by Australia's policy setting linking study and migration. Further discussion of the impacts of the policy setting on the VET sector will be made in section 4.3.1.2.

⁴ 'Other' includes study abroad, foundation, enabling, and other non-award courses that do not lead to a qualification under the Australian Qualifications Framework.

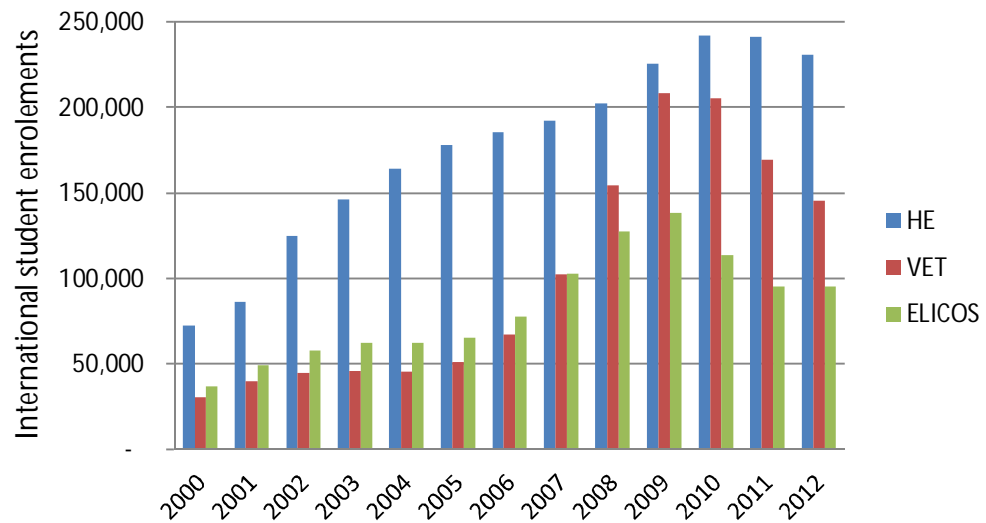


Figure 2.4. International student enrolments by major education sector, 2000- 2012

Adapted from International student enrolments in Australia 1994-2012, AEI, n.d., Retrieved 10 December 2013, from <https://aei.gov.au/research/International-Student-Data/Pages/InternationalStudentData2012.aspx#1>

2.2.3.3 Economic impact of international students

International education accounted for a considerable proportion of Australia's total services exports, increasing from less than 4 percent in 1982 to 25 percent in 2007 (Hall & Hooper, 2008). In 2007, international education replaced tourism as Australia's biggest service export industry (IDP Education, 2008), and in 2009 was named as the third largest export sector in Australia behind coal and iron ore (Figure 2.5) (IEAA, 2009; Marginson, 2009; Windisch, 2009).

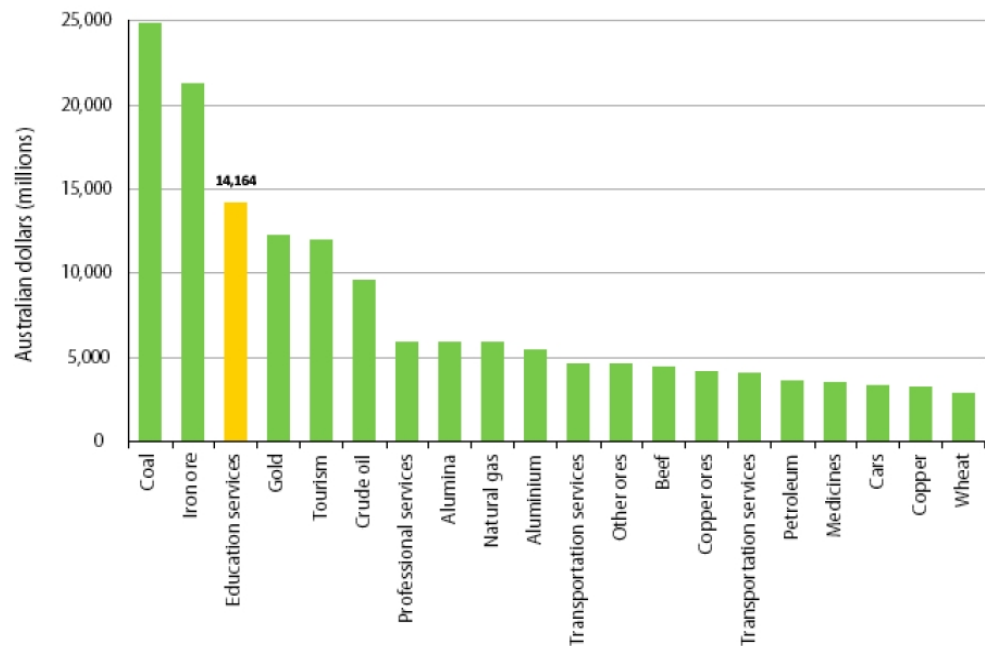


Figure 2.5. Revenue from Australia's major export industries

Adapted from *The Australian international education industry* (p. 5), 2009, Melbourne: IEAA.

In 2007/08, international education brought approximately AUD13.7 billion into the Australian economy, of which AUD5.4 billion was spent on tuition fees, and AUD8.2 billion on living expenditures (Birrell, 2009). In addition to export revenues, international education also helps create employment opportunities in industries such as education, food, transport, services, accommodation, retail and leisure. It was estimated that the presence of international students directly created over 122,000 FTE (full-time equivalent) positions during 2007/08. Of these positions, 33,482 (27%) were created in the education sector alone. Furthermore, associated spending by international students (spending by students, visiting family members, friends and relatives) has contributed to a total of 126,240 FTE positions across Australia (Strategy Policy and Research in Education Ltd., 2009).

This research draws on the assessments and estimations of the Australian Bureau of Statistics (ABS) to report on the quantitative economic impact of international students. The calculations presented generally include the sum of tuitions fees and estimated living expenditures spent by overseas students (Linacre, 2007). These estimations have, however, not gone unchallenged. In fact, disputes over the accuracy of the reported figure have arisen

because estimated student expenditures do not necessarily reflect the actual cost of living in Australia, and information on student earnings through local labour market participation is often not captured in the calculations (Birrell & Smith, 2010).

While there may be divergent views of the actual size of the economic benefits to Australia from international education, this research argues that the economic impact of international education is nevertheless significant and therefore, should not be taken for granted.

2.3 Export education in New Zealand

Like Australia, New Zealand's engagement in international education also began with the launch of the Colombo Plan (Smith & Rae, 2004). Initially, the Colombo Plan focused on sending experts, instructors and advisors to South and South-East Asia to train their personnel locally. It was later thought by government that bringing students from their home countries into New Zealand's universities would be more effective, as well as providing the universities with Colombo Plan money to expand the teaching and residence facilities to accommodate these sponsored students (Tarling, 2004).

2.3.1 Development of export education

During its first 10 years, the Colombo Plan brought about 900 students to New Zealand (McLintock, 2009). Meanwhile, New Zealand had also to deal with a growing number of private international students and the subsequent pressures they imposed on education institutions, education budgets and the education system.

In 1989, following the new approach taken by Canada, the United Kingdom and Australia to raise tuition fees for overseas students, New Zealand then made a clear differentiation between domestic and international students (Abbott, 2004; Ministry of Education, 2001; Smith & Rae, 2006). The *Education Act 1989*, and successive amendments, allowed local education institutions to charge international students education fees which they considered appropriate. This move enabled education institutions to profit from providing educational services to full-fee-paying overseas students (Ma & Abbott, 2006; Tarling, 2004).

Subsequently, education institutions had a strong incentive to market their courses internationally, and retain additional revenues to support their continuance and further development (F. L. Collins, 2006). Since the government also considered international education an emerging industry that could be commercialised to boost export earnings, the recruitment of international students became an important objective on the New Zealand government agenda for international education (Kember, 2002).

Until the late 1990s, sufficient attention was still not given to international education and international students (Butcher, 2003), a situation that did not improve until 2001, when the Clark Labour government introduced the *Export Education Initiative*. This initiative was designed to increase export earnings from education trade, foster international linkages through student mobility, and build recognition of New Zealand education system and qualifications (AEI, 2004). A priority was to provide government funding to ensure industry ownership for strategy development, innovation and promotion activities (Ministry of Education, 2001).

New Zealand's export education industry consequently experienced robust growth between 1999 and 2003. Internally, alongside the *Export Education Initiative*, policy changes associated with international students which allowed more Asian students to enter New Zealand to study also contributed to this growth. As an example, the quota of 1,000 overseas Chinese students per year in universities was raised to 4,000 per year in 1998, and removed completely in 1999 (Mills et al., 2005). Also effective was the skilled migration policy, which awarded various bonus points to applicants with a New Zealand qualification (Asia2000 Foundation, 2003). Further discussion about this policy will be made in section 4.4.

Externally, the development of New Zealand's export education could be attributed to factors such as the recovery of the Asian economy after 1997, the low value of the New Zealand dollar and the tightening of the student visa policy in Australia at the time⁵ (Ministry of Education, 2002). During this period international students came to New Zealand in a growing number, and as a result, New Zealand's market share in the international education market rose from almost 0 percent in 2000 to 3 percent in 2004 (Figure 2.6) (OECD, 2006).

⁵ The requirement to provide the results of an English language test, such as IELTS, for some Australian student visa applicants did not apply in New Zealand.

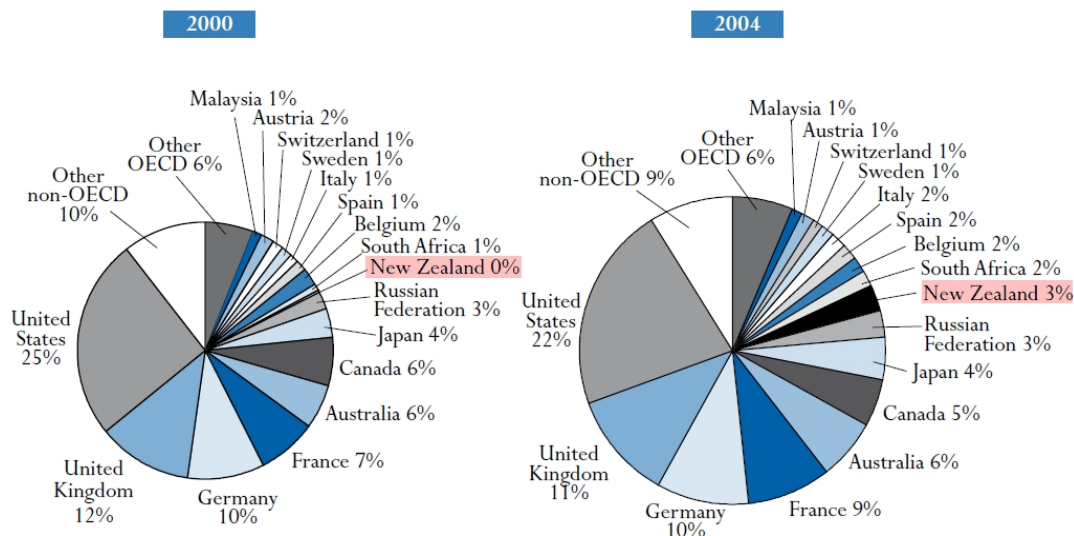


Figure 2.6. Distribution of foreign students by country of destination (2000, 2004)
Adapted from *Education at a glance: OECD indicators 2006* (p. 288), 2006, Paris: OECD.

In the wake of this expansion of both the number of education providers and international students, New Zealand's export education industry soon encountered a range of challenges to further development. Such challenges were the limits of infrastructure, lack of capacity to accommodate the growing number of international students, declining education quality and governmental surveillance, and growing concerns over student safety and insufficient pastoral care (Asia2000 Foundation, 2003). When the value of the New Zealand dollar began to rise in early 2002, the export education industry's fortunes took a turn for the worse (S. Collins, 2007a).

Export education growth in New Zealand began to diminish in 2003. A considerable decline was observed in student visa applications from China, the major student market on which New Zealand had previously concentrated (Nixon, 2005), at a reported cost of some USD500 million in diminished revenues (Hawthorne, 2008a). Many stakeholders in the export education industry considered this result a direct effect of the government's decision to raise the English language test score required for skilled migration from IELTS 5 to at least 6.5 in November 2002 (Mills et al., 2005). Other contributors to the decline included the SARS⁶ outbreak, and negative publicity stemming from reports of racism and violence towards Asian students. The

⁶ Severe acute respiratory syndrome, which first appeared in southern China in November 2002.

nadir of the industry's decline was the damage done to the reputation of New Zealand as an education exporter, when a number of high-profile private education providers unexpectedly collapsed (Butcher & McGrath, 2004; Coulon & Davis, 2008). At the same time, fiercer competition was felt from competitor countries (Crawford, 2009; Gerritsen & Evans, 2003; Pearce, 2005; Rotherham, 2003).

In attempts to bolster New Zealand's competitiveness as a study destination, in 2005 a number of changes were made to policies relating to international students. Policy initiatives included expanding the pool of international students eligible to work part-time; extending the hours⁷ students could legally work; and giving spouses of eligible overseas students unlimited work rights, valid for the duration of the student's course of study⁸ (Bedford, 2006).

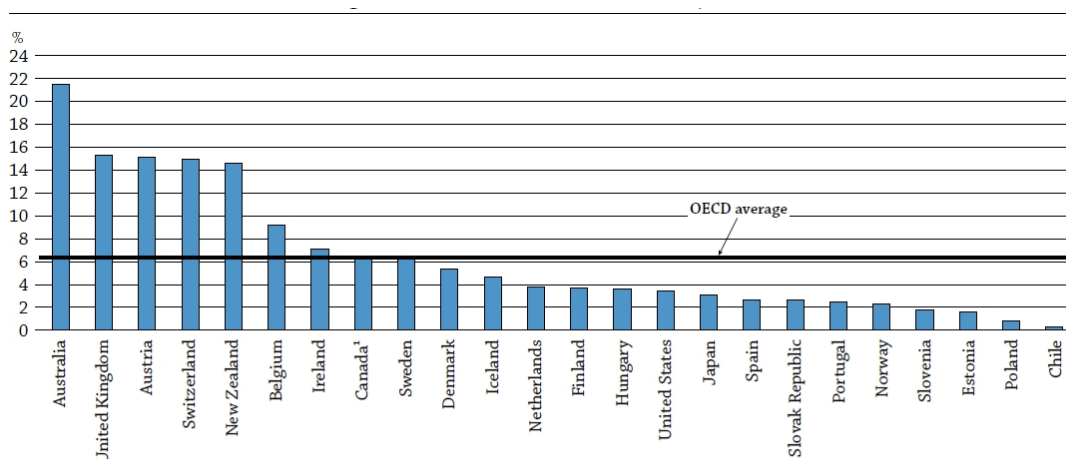
From January 2006, an innovative policy which gave new international PhD students domestic student status was introduced. Further, any dependent children of those doctoral students attending state schools would also be eligible for domestic student fees in New Zealand. This strategic policy raised New Zealand's appeal to overseas students seeking to undertake further education at the doctoral level, and resulted in the number of international doctoral students enrolled at New Zealand universities increasing from 693 in 2005 to 2,796 in 2010 (S. Collins, 2007b; Ministry of Education, 2013b; NZPA, 2007; Parker, 2008).

In 2007, New Zealand was the eighth most popular study destination for tertiary education around the world, behind the United States, the United Kingdom, Australia, Germany, France, Canada and Japan (OECD, 2009). According to OECD data, New Zealand dropped to tenth position in 2009, when the Russian Federation and Spain advanced their positions in the global competition for international students. In 2011, New Zealand attracted only 1.7 percent of international students (OECD, 2013). While this may represent only a small number compared with other study destinations worldwide, given New Zealand's size, it indicates significant competitiveness in the international education market (Naidoo, 2006; Yang, 2007). For instance, Figure 2.7 shows that in 2009, among all OECD countries, New Zealand was ranked

⁷ It was 15 hours when it was first introduced in March 1999, extended to 20 hours in July 2005.

⁸ The student's spouse is given unlimited work rights if the student's study course is at the postgraduate level or in the areas of long term skilled shortage.

behind only Australia, the United Kingdom, Austria and Switzerland in hosting the highest proportion of international students enrolling at the tertiary education level (OECD, 2011). For every 1,000 people, New Zealand hosted 15 international students, which represented the highest proportion for this measure in OECD countries (Wilkinson, Merwood, & Masgoret, 2010).



Note: The data presented in this chart are not comparable with data on foreign students in tertiary education presented in pre-2006 editions of *Education at a Glance* or elsewhere in this chapter.

1. Year of reference 2008.

Countries are ranked in descending order of the percentage of international students in tertiary education.

Figure 2.7. Percentage of international students in tertiary enrolments, 2009

Adapted from *Education at a glance: OECD indicators 2011* (p. 326), 2011, Paris: OECD.

2.3.2 New Zealand's attractiveness as a study destination

Compared with other English-speaking countries, New Zealand is less important as a study destination for international students (Mazzarol & Hosie, 1999). Apart from its being a small country in an isolated location, New Zealand also entered the international education market relatively later than did the US, the UK, and Australia (AEI, 2003). Moreover, New Zealand lacks the famed and prestigious universities of other English-speaking countries. Despite such undeniably disadvantageous factors, New Zealand possesses its own 'pull' factors in the competition for international students (Coulon & Davis, 2008).

That New Zealand is an English-speaking country has been recognised as the foremost reason of its attractiveness to international students (Wilkinson et al., 2010). In addition, the low value

of the New Zealand dollar in the early 2000s deemed New Zealand education 'value for money'; while providing a Western education and English study experience, it did so at a lower cost (Mazzarol & Hosie, 1999). Although the strengthening New Zealand dollar after 2003/04 somewhat diminished this cost advantage (S. Collins, 2007b), New Zealand has remained a relatively cheap study destination overall. The policy innovations of 2006 which enhanced the affordability of New Zealand's doctoral programme proved very attractive to international research students.

For students from Asia and the South Pacific, New Zealand is particularly appealing because of its geographic proximity to their home countries (Verbik & Lasanowski, 2007), along with a general perception that New Zealand is clean, green, politically stable, and a safe place to study. Such reassuring images have helped New Zealand promote itself as a study destination to many overseas students and their parents (Asia2000 Foundation, 2003; Mazzarol & Hosie, 1999; Verbik & Lasanowski, 2007).

New Zealand is attractive to some overseas students because of the ease of obtaining a student visa to study there (Butcher & McGrath, 2004). New Zealand immigration regulations do not require student visa applicants to present the IELTS score, and this appears to make the process of obtaining a visa to study in New Zealand less daunting⁹ (Ma & Abbott, 2006). The previous restrictions on part-time work participation prior to 2000 were viewed somewhat negatively by prospective students (Mazzarol & Hosie, 1999). However, as noted in the preceding sub-section, since 2005 New Zealand has substantially increased its pull by approaching equivalence in policies pertaining to international students relative to other competitor countries.

New Zealand then is one of the few study destinations that gives international students access to work during and after study; that allows international students to bring their spouses and gives them adequate work rights;¹⁰ and enables international students to apply for and obtain permanent residence after completion of study. Evidence shows that policy settings facilitating

⁹ Australia requires student visa applicants to provide IELTS scores achieved within the previous two years when applying for a visa or permit, as the only test accepted for student visa purposes.

¹⁰ Spouses of postgraduate students or students studying courses in areas of long-term skilled shortage may work full-time.

the transition of international students from study to work and permanent residence have played a major role in attracting international students to New Zealand since the beginning of the twenty-first century (Wilkinson et al., 2010).

A comparative summary of Australian and New Zealand policies relating to international students is given in Appendix 1.

2.3.3 Quantifying New Zealand's export education

The growth and development of export education is important to New Zealand. Providing educational services to overseas students not only contributes to the formation of global connections and networks between international students and New Zealanders, and between their home countries and New Zealand (Mallard, 2007); sizeable income revenues are also generated. The following sub-sections use international student numbers, international student enrolments and the quantitative economic impact of international students to illustrate the importance of export education to New Zealand.

2.3.3.1 International student numbers

In 1999, there were only 28,340 international students studying in New Zealand. This number reached a peak of 118,652 in 2003, and then declined sharply in 2003/04 (Ministry of Education, 2002, 2005, 2009, 2011, 2012). As Figure 2.8 shows, a fluctuating decline in the number of international students continued until 2009, when it increased again for the first time since 2003 (Wilkinson et al., 2010).

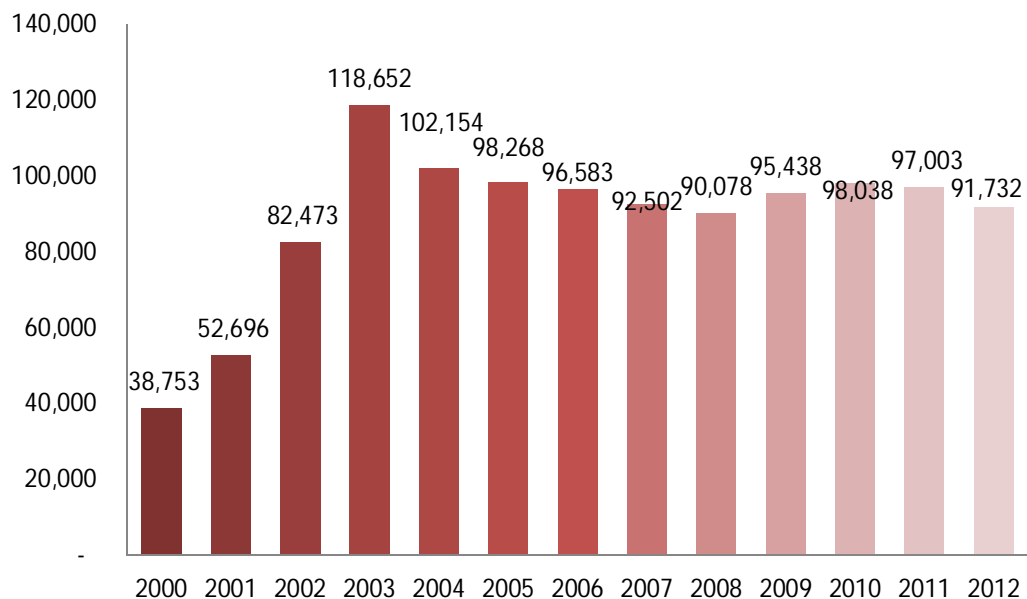


Figure 2.8. International student numbers by year, 2000 – 2012

Adapted from *The New Zealand international education sector - trends from 1999 to 2004*, 2005, Wellington: Ministry of Education,; *Key indicators for export education levy for full-year 2003-2008*, 2009, Wellington: Ministry of Education; *Export education levy full year 2003 – 2010*, 2011, Wellington: Ministry of Education; *Export education levy full year 2003 – 2012*, 2012, Wellington: Ministry of Education

New Zealand accommodates international students from more than 150 countries around the world. Asia is still the most important student market, however, with Asian students accounting for 75 percent of the 70,000 international students that New Zealand receives every year (Wilkinson et al., 2010).

2.3.3.2 International student enrolments

Comparisons of Australia's and New Zealand's international student enrolments are complicated by New Zealand's use of the term 'tertiary education' to include all forms of post-secondary school education and training. The scope of tertiary education ranges from foundation courses, certificates and diplomas, undergraduate degrees, industry training, and adult and community education to postgraduate qualifications (Goedegebuure, Santiago, Fitznor, Stensaker, & Steen, 2008). By this definition, tertiary education in New Zealand encompasses several education sectors in Australia, including higher education, VET and ELICOS.

In addition, New Zealand reports its international student enrolments not by education sectors, as defined in the Australian context, but by provider groups. These provider groups include publicly-funded tertiary education institutions (TEI), private training establishments (PTE), schools, and subsidiary providers.¹¹ Both TEIs and PTEs offer tertiary education. Among the TEIs, eight universities offer higher education at the degree level and above, while 20 government-owned Institutes of Technology and Polytechnics (ITP) offer vocational education at the degree level. By contrast, although a few large PTEs can also offer vocational education at the degree level, the majority focus on specific vocational education at the certificate and diploma level (NZQA, n.d.).

The PTEs, particularly English language schools, have always attracted the majority of international student enrolments in New Zealand (Figure 2.9) (Ministry of Education, 2013a). In 2009, around 48.1 percent of total international student enrolments were concentrated in the PTEs, compared with 31.5 percent in the TEIs (Wilkinson et al., 2010).

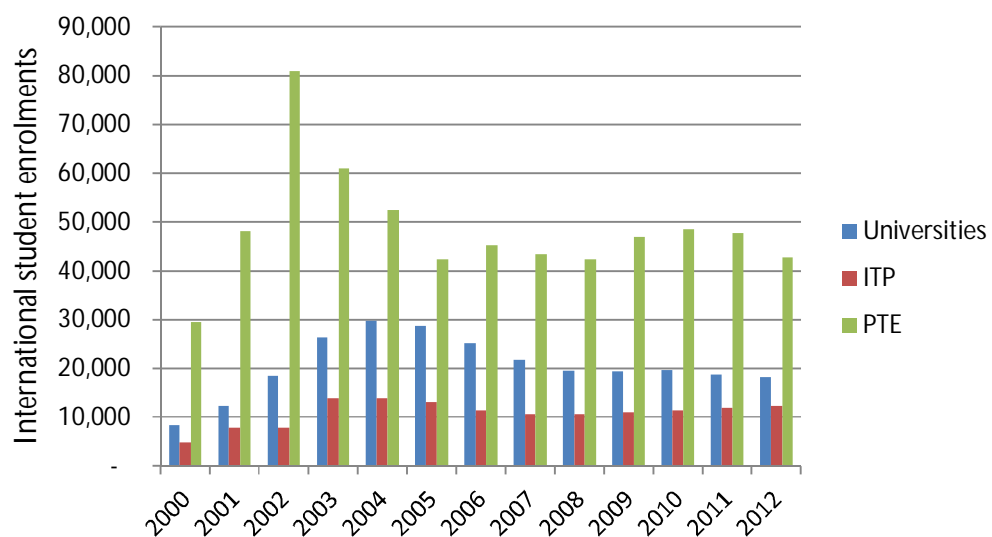


Figure 2.9. International student enrolments by major education provider, 2000 – 2012

From *International student enrolments in New Zealand 2000-2006*, 2007, Wellington: Ministry of Education, *International student enrolments in New Zealand 2006- 2012*, 2013, Wellington: Ministry of Education

2.3.3.3 Economic impact of international students

¹¹ Subsidiary providers include the English language training affiliates in universities and some high schools.

As a small country with a population of 4.2 million, New Zealand ranks export education as one of its top five export industries (J. Coleman, 2009; Merwood, 2007). Table 2.2 shows that even with the decline in numbers from 2003, export education continued to generate around NZD2.1 billion in export earnings during 2007/08, and an additional NZD70 million from offshore education earnings (Infometrics NRB & Skinnerstrategic, 2008; Ministry of Education, 2011). Overall, international education contributes more than NZD2 billion to the New Zealand economy each year (Joyce, 2013).

Table 2.2 *Economic impact of New Zealand's export education (1999-2008)*

Year	Estimated Economic Impact	Offshore Education Earnings
1999	NZD0.5 billion	-
2001	NZD1.3 billion	-
2004	NZD2.2 billion	-
2005	-	-
2006	-	-
2007/08	NZD2.1 billion	NZD70 million

Note: Adapted from *The economic impact of export education* (p. 1), Infometrics NRB & Skinnerstrategic, 2008, Wellington: Education New Zealand & Ministry of Education.

The arrival and presence of international students also contribute directly and indirectly to the generation of employment opportunities in New Zealand. According to a report commissioned by Education New Zealand and the Ministry of Education in 2008, international students directly generated 12,800 FTE (full-time equivalent) positions. Of these, the education industry accounted for about 59 percent (7,552 positions). Overall, for every position generated directly in the education industry, there are 3.29 other FTE jobs generated elsewhere (J. Coleman, 2009; Crawford, 2009; Infometrics NRB & Skinnerstrategic, 2008).

This research draws on government publications/websites and published articles to report on the quantitative economic impact of international students. Statistics about international student enrolments and tuition fees are reported by individual education institutions to the Ministry of Education through the single data return (SDR)¹² system every quarter (Parker, 2008). However, because the information is based on self-reporting measures, there is potential

¹² The Ministry of Education requires tertiary education organisations to supply financial reports, statistical or other information through SDR, which provides the base data for compilation and analysis of tertiary education statistics.

for human error (GlobalHigherEd, 2009). Albeit that a number of attempts have been made to provide estimations of international student expenditures on living costs, data is still limited in its accuracy (Infometrics, 2006; Infometrics NRB & Skinnerstrategic, 2008). Similarly, as there is no information collected on student earnings through local employment participation, the precise economic input from international students is therefore open to challenge. There is no doubting, however, the significance of the economic contribution of export education to New Zealand.

2.4 Conclusion

A brief overview of international education was presented in the early part of this chapter. Revenue generation, improvement of mutual understanding, and the acquisition of human resources were identified as three important rationales for a host country to provide international education, while the 'push-pull' factors were used to explain the mobility of international students. One important observation was that proactive government policies are playing an increasingly critical role in attracting overseas students to host countries.

In the later part of this chapter, the development of international education in Australia and New Zealand was described. Alongside their intrinsic attractiveness as study destinations, it was again found that a growing number of international students have been drawn to study in Australia and New Zealand by favourable government policies. Policies that greatly influenced students' decisions to study in Australia or New Zealand included those that gave access to the labour market during and after study and more importantly, those that offered the possibility of obtaining permanent residence after study. From the perspective of these provider countries, the economic impact of international students has promoted international education as an important export generator. The importance to the respective economies of Australia and New Zealand of continuing to attract international students was established, and it was shown that an effective way to attract prospective students was through policies that offered them desirable opportunities.

This chapter identified the connection between international education and student migration. This finding lays the foundation for further discussion of the policy setting linking study and migration that is the subject of this research.

Chapter 3 Skilled Migration

The preceding chapter provided an overview of international education and indicated that a close connection existed between international education and student migration. Among many other factors, the possibility of migration has been recognised as an increasingly important motive for international students to study in Australia and New Zealand. As this research focuses on transition of international students to permanent residence through skilled migration, a comprehensive grasp of the skilled migration policies and practices of both countries is important, since they determine outcomes in the transition process. Therefore, the aim of this chapter is to describe the approaches taken by Australia and New Zealand in their selection of prospective skilled migrants and citizens.

This chapter is divided into four sections. Section 3.1 discusses the importance of a country's maintaining a constant inflow of skilled migrants for population growth and economic development. It then briefly introduces the approaches of selected countries to admitting new immigrants. Section 3.2 examines Australia's immigration framework. It explains the requirements for immigration of prospective skilled migrants, elucidates the changes to skilled migration policy and practice, and looks at the options that lie ahead of permanent residence. Section 3.3 follows the same structure as the preceding section, in the context of New Zealand. Section 3.4 provides a brief conclusion to the chapter.

3.1 Skilled migration overview

From the late 1990s, many OECD countries began to report the rise of societal concerns such as low fertility rates, ageing populations, and labour/skills shortages (Gribble, 2008). While some OECD countries were finding it increasingly difficult to maintain a skilled workforce, others also suffered the emigration of their own skilled talents to more advanced countries (F. Rizvi, 2005). Among these countries, there was a greater need for highly skilled individuals to ensure population maintenance or growth, and economic development.

Subsequent relaxing of immigration policy settings in several OECD countries were designed to target and attract skilled migrants to key areas in which labour shortages were identified (Elson-Green, 2007; Gribble, 2008). This also meant that skilled individuals from less developed countries would have more potential immigration destinations to choose from, should they desire to improve their living conditions or seek professional advancement in a more advanced country (Shachar, 2006).

The *Oxford Advanced Learner's Dictionary* (2013), defines the term 'migration' to mean the movement of people, or even animals, from one place to another (and therefore across within a country or across borders). From the term comes 'emigration' and 'immigration', representing the two directions of migration, 'emigration' to indicate the action of people moving out of a country, and 'immigration' the action of people moving into a new country for the purpose of settling (Difference Between.net, n.d.).

As one of the pivotal subjects in this study, the term 'skilled migrant', which may be designated differently from country to country, is often referred to in the collective sense as 'the best and the brightest', who are actively recruited and retained by many advanced countries through proactive and targeted immigration policy settings (Shachar, 2006). In general, immigrants who are considered 'skilled' or 'highly skilled' often have at least tertiary or higher education and/or extensive work experience in a specialised skill field (Chaloff & Lemaitre, 2009; Iredale, 2000).

Skilled migration policies vary significantly between countries. For example, while the immigration policy of the United States traditionally prioritises people who have family members already resident in the country, a skilled individual with a permanent job offer and sponsorship from an employer would also have the opportunity to apply for and obtain permanent residence. Therefore, the United States' permanent skilled migration programme is primarily demand-driven. By contrast, the permanent skilled migration programmes of countries such as Canada, Australia and New Zealand have been largely supply-driven. These countries have implemented a points-based system¹³ to select prospective skilled migrants and offer permanent residence to eligible applicants with apparently favourable characteristics

¹³ The UK also has a points-based system, but offers only temporary residence notwithstanding the migrant's ultimate intention to seek permanent settlement.

demanding by the local labour market (Bauer, Lofstrom, & Zimmermann, 2001; Chaloff & Lemaitre, 2009).

The following two sections examine the permanent skilled migration policies and practices of Australia and New Zealand in a comparative treatment.

3.2 Immigration in Australia

Australia has a rich history of receiving immigrants, having depended on immigration to support its population growth and labour force. However, Australia's attitudes and practices towards immigrants have often been characterised as complicated and controversial (McNamara, 2009). Australia's early preference for new immigrants was set out by the *Immigration Restriction Act 1901*, known as the 'White Australia' policy owing to its intention of limiting non-white immigration (Miller, 1999). Based on this policy, prospective immigrants should be white and preferably, British or Irish. Immigration from other countries was either prohibited or restricted (J. Collins, 2004).

To ensure that only preferred immigrants gained entry, the 'Dictation Test', as a test of language was introduced in 1901 (Hawthorne, 1997). When new immigrants arrived at an Australian port, anyone deemed undesirable by the federal immigration officer in attendance would be asked to transcribe a 50-word text correctly in any European language (and after 1905, in a designated language). Hence the putative immigrant would naturally fail and be legitimately refused entry (Hawthorne, 1997; McNamara, 2009).

After 1945, a great demand for labour arose for post-war construction projects in Australia. Immigrants from the traditional source countries such as the United Kingdom and Ireland could not fill requirements, and Australia then had no choice but to – reluctantly – accept Continental and Mediterranean Europeans (Hugo, 2005, 2008; Inglis, 2004; Khoo, Hugo, & McDonald, 2008). The Dictation Test continued to be used to restrict the arrival of non-European immigrants until 1958, when the *Migration Act* was revised. The revised Act took out direct reference to race, but did not fundamentally change at its discriminatory core (Jupp, 1995; Meredith & Dyster, 1999). For example, even though the arrival of Balkan, Middle

Eastern and Latin American unskilled workers was encouraged, professional Indians and Chinese were however still excluded in the early 1970s (Jupp, 1995).

During the 1950s and 1960s, many overseas students, including Colombo Plan-sponsored and private students, arrived in Australia from Asia. The immediate effect of their arrival was felt in the emergence, and adoption by many Australians, of a new stereotype, the hardworking and successful Asian students (Oakman, 2002). Consequently, the presence of Asian students produced far-reaching social and political effects in the Australian community while the 'White Australia' policy was still in place (G. Davis, 2009). Over the years, that discriminatory policy gradually lost public support and was eventually ended in 1972. Since then, Australia's permanent immigration programme has progressively taken shape, with a focus on two components: humanitarian and migration (ABS, 2009). The former category admits refugees and others with humanitarian claims, and the latter comprises a skill stream, a family stream and a special eligibility¹⁴ stream (Khoo et al., 2008).

Within the migration component, the majority of new immigrants had traditionally arrived in Australia in the family stream. After the Howard Coalition government was elected in 1996, Australia's immigration policy became much more focused on economic considerations (Meredith & Dyster, 1999; Janet Phillips & Spinks, 2012). Thus, migrants with favourable attributes of age, employment skills, educational qualifications and work experience were highly preferred, while applicants at risk of delayed or underemployment were mostly eliminated during the application process (Hawthorne, 2011; Meredith & Dyster, 1999). This significantly impacted the make-up of Australia's permanent migration intake such that the number of skilled migrants and their families increased over the following decade to account for over 60 percent of all immigrants to Australia (Department of Premier and Cabinet, 2004).

From 1999 to 2009, in order to attract and retain international students as skilled migrants, Australia conducted a series of policy experiments aimed at connecting international education with skilled migration (Hawthorne, 2010a). Overseas students who were targeted were believed to be "better-educated, younger, more job-ready migrants with the language skills to operate

¹⁴ This migration stream includes former residents who did not acquire Australian citizenship, but subsequently seek to return to Australia as permanent residents.

successfully in the Australian workplace” (Ruddock, 1999, p. 7). The policy link between international education and skilled migration, referred to as ‘Australia’s study-migration pathway’ in this study, will be discussed in detail in section 4.3.

3.2.1 General Skilled Migration (GSM) - Onshore¹⁵

For many years, Australia has had in place a workforce-driven skilled migration policy (Khoo et al., 2008) which selects prospective immigrants based on their likely contribution to the country’s economy (J. Collins, 2004). The government develops, manages and reviews the skilled migration programme regularly in consultation with a wide range of stakeholders, who include peak industry bodies and employer groups (Duke, 2006). Australia does not have a population policy target, but determines its intake of skilled migrants on an annual quota basis. This gives the Australian government the flexibility to increase or reduce intakes in response to prevailing economic circumstances (Birrell, Hawthorne, & Richardson, 2006).

In 1973, after the demise of the ‘White Australia’ policy, a points test was introduced to quantify the selection criteria for permanent residence based on the attributes of skilled migration applicants (Cully, 2009). The deployment of a points system allowed the government to micro-manage the skilled migration programme in a number of ways. It could adjust the selection criteria based on the changing needs of the labour market promptly while controlling the number and quality of skilled migrants more stringently, to ensure that successful applicants would make an immediate contribution to the country (Birrell, 2003; J. Collins, 2006; Neilson, 2009). Furthermore, the application process was designed to reduce the number of unsuccessful applications by enabling prospective migrants to self-assess their ability to meet the selection criteria before lodging formal applications (A. Rizvi, 2004).

Under the points test, skilled migration applicants are awarded various points based on attributes such as age, educational qualification, professional skills, work experience, English language ability, and other requirements. The highest points awarded in each criterion indicate

¹⁵ This chapter focuses on onshore skilled migration applications, which is the purpose of this study and which means that applicants are already in the country when they submit their applications for permanent residence. A large number of onshore skilled migration applications are made by former international students.

the quality that is most valued and sought by the Australian labour market. Overall, preference is given to applicants of productive age, who have strong English language skills, professional skills and extensive work experience, and higher level educational qualifications.

The total number of points is the 'pass mark' an applicant needs to achieve from all possible selection criteria to be eligible for permanent residence. The pass mark is subject to regular review and adjustment which, again, allows the government to manage the number of applicants gaining permanent residence during a given period of time (Birrell et al., 2006; University of Melbourne, n.d.). If an applicant scores points greater than or equal to the pass mark as set at the time of application, the applicant will proceed to the next stage of the process that deals with health and character checks once the immigration case officer is satisfied with all submitted documentation (Tsokhas, 1999).

Lower than the pass mark by a certain number of points is a 'pool mark', which if an applicant does not score, the application will be rejected straightaway. 'Pool' refers to the application being held for up to two years, should the applicant score below the pass mark but above the pool mark. Applications in the pool will only be processed further, if the pass mark is lowered at any time in the two year holding period, and if the total points then equal or score above the new pass mark. Applications in the pool which are not processed within two years are then rejected.

Table 3.1 shows the essential eligibility criteria required to be met by skilled migration applicants in order to qualify for permanent residence in Australia. Each criterion will be described in detail in the following sub-sections.

Table 3.1 *The essential requirements for qualifying for skilled migration in Australia*

Criteria	Description
Age	Under 50 years of age
Education	Completed one of the Australian qualifications or overseas qualifications recognised as comparable to the relevant Australian qualification level
Nominated skilled occupation	Nominates an occupation on the applicable occupation lists
Skills assessment	Has a positive skills assessment completed by a relevant assessing authority for the nominated occupation
Employment experience	Has Australian or overseas skilled employment experience in the nominated occupation in the past 10 years
English language ability	Meets English language requirement (IELTS ¹⁶ 6 in each component)

3.2.1.1 Age

Points are awarded to applicants based on the age criterion which ranges from 15 points for those aged 40 to 44, to 30 points for those aged 25 to 32. The maximum age of eligibility is 49.

Prior to July 2011, applicants over 45 years of age were not eligible to apply for independent skilled migration in Australia. From July 2011, government policy recognised that often, skilled workers do not reach their full potential until their mid to late 40s. Thus applicants aged 45-49 have since then been able to apply for skilled migration, although no points are awarded for the age criterion (DIAC, 2010b). Instead, significant professional skills, extensive work experience and outstanding results in other areas must compensate the lack of points for the age criterion.

3.2.1.2 Educational qualification

Points are awarded based on the qualification criterion ranging from 10 points for an applicant having a Diploma or Trade qualification, to 20 points for an applicant having completed a Doctoral degree. Postgraduate qualifications such as Master's or Honours plus Bachelor are not given higher recognition than Bachelor degrees, and so receive the same 15 points.

¹⁶ The IELTS (International English Language Testing System) test consists of four components: listening, reading, writing and speaking. Scores awarded to candidates range from 1 to 9, a score of 9 reflecting the highest level of fluency and accuracy.

Australian study experience can benefit former students by an extra five points. To meet this particular requirement and claim points, the qualification must satisfy the following conditions: 1) it has been undertaken while the applicant resided in Australia; 2) it has been completed in a course of study that comprises at least two academic years; 3) it must be closely related to the applicant's nominated skilled occupation. Former students who studied for their qualification in regional Australia¹⁷ can claim another five points provided they have met the Australian study requirement.

Prior to July 2011, albeit that applicants had to obtain credentials from a relevant Australian assessing authority as part of their assessment, assessment of their educational qualifications was integrated into the skills assessment (Richardson & Lester, 2004). In addition, applicants with Australian qualifications were exclusively advantaged because overseas qualifications were not given formal recognition, nor awarded any specific points, notwithstanding the overseas awarding education institution's international recognition, nor its higher academic standard than Australia's (DIAC, 2010f). Since July 2011, overseas qualifications have been officially accepted in the points test and can be used to claim points provided they have been recognised as comparable to the Australian standard. However, the decision to award points for educational credentials is at the discretion of the immigration case officer (DIAC, 2011).

3.2.1.3 Skilled employment and work experience

Applicants must nominate an occupation on the applicable occupation lists when lodging their applications, although no points are awarded for this criterion (DIAC, 2010b). Furthermore, prior to submission, applicants are required to have their professional skills and capabilities recognised by a relevant Australian assessing authority¹⁸ as equivalent to those of their Australian professional counterparts in order to obtain a positive outcome of skills assessment (Inglis, 2004).

¹⁷ Regional Australia, or 'low population growth metropolitan areas' covers most population areas in Australia outside the major cities of Sydney, Wollongong, Newcastle, Brisbane and the Gold Coast, Melbourne, the ACT, and Perth. It includes all of South Australia, Tasmania, and the Northern Territory.

¹⁸ For instance, architects are assessed by Architects Accreditation Council of Australia (AACA), and engineers by Engineers Australia. Applicants with general professional qualifications or vocational skills are assessed by VETASSESS.

With regard to work experience, recognition is given to applicants with extensive skilled employment experience either in Australia or overseas.¹⁹ Applicants are awarded points based on skilled employment undertaken in the past 10 years, ranging from five points for working in Australia for one year, or outside Australia for three years, to 20 points for working in Australia for eight years. The skilled employment experience needs to be verifiable and must be in the applicant's nominated occupation or a closely related occupation.

A maximum of 20 points can be claimed for an applicant's skilled employment in Australia, overseas, or both.

3.2.1.4 English language ability

IELTS was made the sole English test for immigration purposes in July 2001 (Ahern, 2009). Applicants must obtain a satisfactory IELTS score before lodging their applications. Strong English language ability is highly valued in Australia because the employability of skilled migration applicants, and their future earnings, often depend upon their English language proficiency (Tsokhas, 1999).

Moreover, the level of English language proficiency is also distinguished by the awarding of points. Only three types of English competency are accepted: superior (achieving a score of IELTS 8 in each component); proficient (IELTS 7); and competent (IELTS 6). Competent English is the minimum score, for which no points are awarded, but 10 to 20 points are awarded to applicants who demonstrate a higher level of English proficiency by achieving IELTS 7 and 8.

Applicants who are citizens of English-speaking countries such as Canada, Ireland, New Zealand, the United Kingdom and the United States are automatically considered to have met the minimum English language requirement and hence receive no points; if they wish to attain points they must still obtain the required IELTS score.

¹⁹ Each assessing authority determines the skill criteria differently. However, the assessing authority may be inclined to accept work experience from countries whose labour markets are considered 'comparable' to those of Australia. Work experience in countries where English is not the native language, or not extensively used, may not be given equal recognition.

3.2.1.5 Other requirements

Applicants can claim extra points for meeting other criteria such as receiving accreditation by National Accreditation Authority for Translators and Interpreters (NAATI) for being fluent in one of the recognised community languages, having a partner who is also eligible for skilled migration, being nominated by a State/Territory government, or being sponsored by an eligible relative in a regional area. Former students can also claim points for completing a Professional Year²⁰ in their nominated, or closely related, skilled occupation.

The points allocations for each criterion under Australia's GSM programme can be found in Appendix 2.

3.2.2 Changes to the skilled migration policy and practice

Essentially, the skilled migration policy and practice in Australia are rigorously regulated and micro-managed, with the aim of producing positive economic outcomes and immediate benefits for the country (Bedford, 2006). As such, in 1999, the Skilled Occupation List (SOL) was introduced to identify immediate and potential skill shortages deemed critical in the Australian labour market. The list comprised mostly professional and managerial occupations, some associate professional occupations, and trade occupations (Birrell, 2003). Applicants who did not have an occupation on the occupation list were not eligible to apply for permanent residence independently under the GSM programme.

Depending on the occupation nominated, applicants were awarded 40-60 points respectively towards their total points. Occupations at the 60 point level were considered highly skilled, for which training and qualifications specific to the nominated occupation were needed. Occupations at 50 points were regarded as more general, and required applicants to have a qualification equivalent to an Australian bachelor degree or higher qualification. Finally, occupations at 40 points encompassed other skilled professions, for which applicants required a qualification at least equivalent to an Australian diploma or advanced diploma (Birrell, 2003).

²⁰ The Professional Year is a structured professional development programme combining formal learning and workplace experience, such as an internship.

As a sub-set of the SOL, the Migration Occupations in Demand List (MODL) was also established. This list identified occupations and skills in national shortage within the Australian labour market. Applicants with occupations on the MODL, whether they had a job offer or not, were greatly advantaged in that they were given priority at the time of selection, as well as being awarded 60 points towards their total points (DEEWR & DIAC, 2009a; Jackling, 2007). The urgency of labour market demand for and the value accorded certain occupations attracted the highest number of points, inadvertently easing the way to GSM selection for applicants with a MODL occupation.

From its introduction in July 1999, the number of occupations on the MODL increased from an initial 17 in 1999, to 95 in July 2007 (DEEWR & DIAC, 2009a). During these years the number of trade and vocational occupations on the MODL also substantially increased (Table 3.2). Under the then points test, permanent residence was almost guaranteed to skilled migration applicants who nominated an occupation on the MODL. In other words, the nominated MODL occupation was the key determining factor of a skilled migration application outcome (Birrell & Healy, 2010).

Table 3.2 *Occupations on the MODL (2002, 2007)*

Year	Professional occupations	Trades and vocational occupations
2002 (October)	Information technology professional, accountant, hospital pharmacist, retail pharmacist, physiotherapist, registered nurse, midwife, mental health nurse, sonographer, radiation therapist	Hairdresser, cook, refrigeration and air-conditioning mechanic
2007 (August)	Accountant, anaesthetist, architect, chemical engineer, civil engineer, computing professional – specialising in CISSP, C++/C#/C, Java, J2EE, network security/firewall/internet security, Oracle, Peoplesoft, SAP, SIEBEL, Sybase SQL server, dental specialist, dentist, dermatologist, electrical engineer, emergency medicine specialist, external auditor, general medical practitioner, hospital pharmacist, mechanical engineer, medical diagnostic radiographer, mining engineer (excluding petroleum), obstetrician and gynaecologist, occupational therapist, ophthalmologist, paediatrician, pathologist, petroleum engineer, physiotherapist, podiatrist, psychiatrist, quantity surveyor, radiologist, registered mental health nurse, registered midwife, registered nurse, retail pharmacist, specialist medical practitioners (not elsewhere classified), specialist physician, speech pathologist, sonographer, surgeon, surveyor	Aircraft maintenance engineer (avionics), aircraft maintenance engineer (mechanical), automotive electrician, baker, boat builder and repairer, bricklayer, cabinetmaker, carpenter, carpenter and joiner, chef, cook, drainer, electrical powerline tradesperson, electrician (special class), electronic equipment tradesperson, fibrous plasterer, fitter, floor finisher, furniture finisher, furniture upholsterer, gasfitter, general electrician, general plumber, hairdresser, joiner, lift mechanic, locksmith, mechanical services and air-conditioning plumber, metal fabricator (boilermaker), metal machinist (first class), motor mechanic, optical mechanic, painter and decorator, panel beater, pastry cook, pressure welder, refrigeration and air-conditioning mechanic, roof plumber, roof slater and tiler, solid plasterer, sheetmetal worker (first class), stonemason, toolmaker, vehicle body maker, vehicle painter, wall and floor tiler, welder (first class)

Note. Adapted from “How valuable is ‘two-step migration’? Labour market outcomes for international student migrants to Australia”, by L. Hawthorn, 2010, *Asian and Pacific Migration Journal*, 19(1), p. 20.

The consequential impact of the MODL on skilled migration application outcomes became evident when as many as half of permanent residence visas granted were to applicants in five main occupations (Accountants, Computing professionals, Building/Engineering, Cooks and

Nurses) (Hawthorne, 2010a). In 2004/05, 31 percent of permanent residence visas were granted to applicants who nominated accounting as their occupation, and around 40 percent to applicants who were in computing professions (Birrell et al., 2006).

Figure 3.1 shows the top 10 occupations in the granting of permanent residence between 2006 and 2008. Among these, 28,800 accountants, 6,500 cooks and 2,800 hairdressers reportedly obtained permanent residence in the three years to 2007/08 (DEEWR & DIAC, 2009a). In the wake of this result, the MODL was fiercely criticised for its failure to reflect the reality of the Australian labour market, and its subsequent distortion of the skilled migration outcomes (Birrell & Healy, 2010). In addition, the dominance of the MODL in skilled migration selection also significantly affected the development of the international education industry. This will be discussed in detail in section 4.3.1.

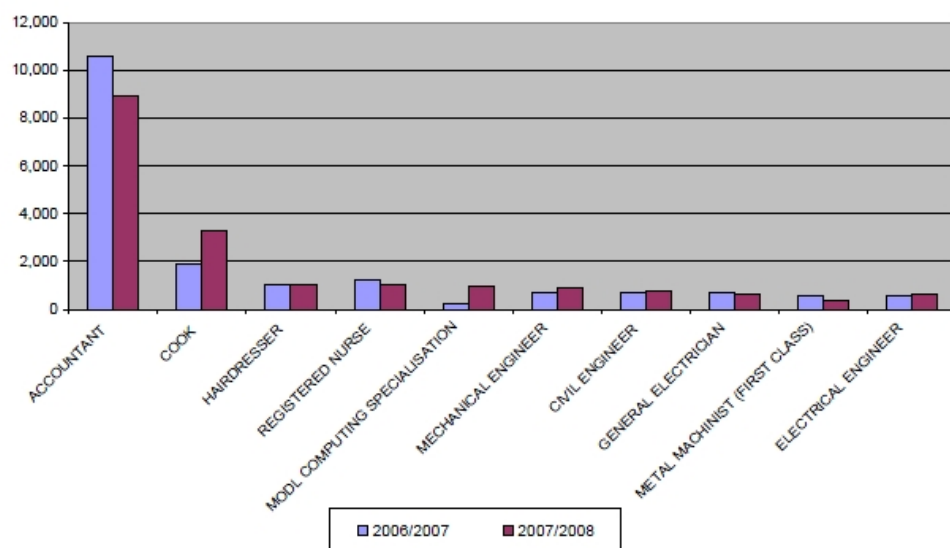


Figure 3.1. Top 10 MODL occupations in the GSM programme

Adapted from *Review of the Migration Occupations in Demand List - issues paper No. 1* (p. 14), DEEWR & DIAC, 2009.

From September 2007, the government began to instate a number of remedial measures to reduce the dominance of the MODL in the skilled migration selection process. More stringent English language requirements were set out and more emphasis placed on work experience, which in effect meant that points acquired via the MODL were available only to applicants who had at least one year's work experience in their nominated occupation (Birrell & Perry,

2009). Subsequently, English language ability replaced the MODL as the key factor in the determination of skilled migration outcomes (Hawthorne, 2010a).

In the aftermath of the global financial crisis of 2008, the government indicated that the skilled migration programme would be shifted to a more 'demand driven' model for the foreseeable future (Koleth, 2010). As a first step, the Critical Skills List (CSL) was introduced in December 2008 and took effect from January 2009. The relationship between SOL, MODL and CSL is shown in Figure 3.2. The CSL removed most trade occupations and largely concentrated on professional occupations in the field of health, information and communications technology (ICT), engineering, and accounting (Ahern, 2009; DEEWR & DIAC, 2009a; Koleth, 2010).

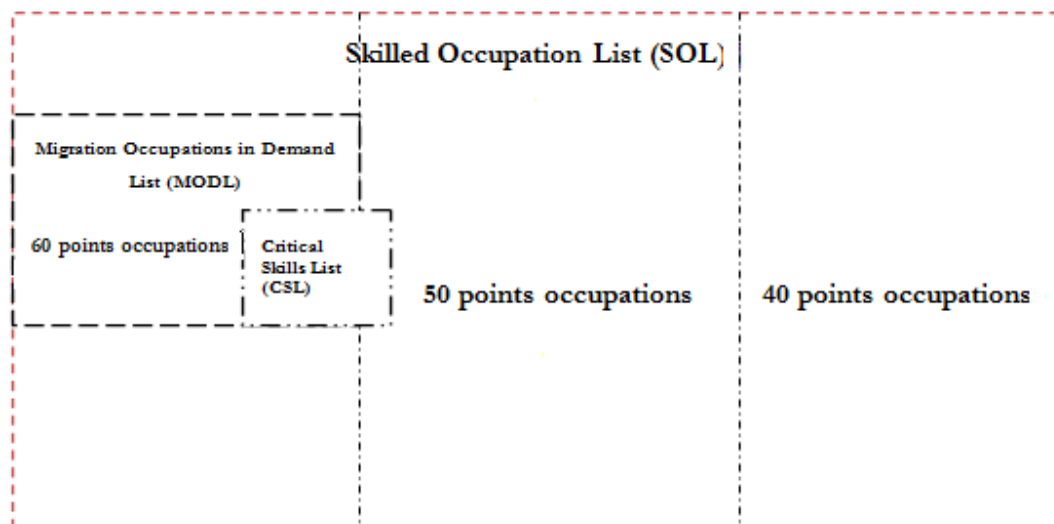


Figure 3.2. Relationships between SOL, MODL and CSL

Adapted from *The effectiveness of Australia's points-tested skilled entry system* [PowerPoint presentation], by M. Cully, 2009, London: Migration Advisory Committee.

More changes that indicated the government's determination to strengthen the skilled migration programme were to take place. In early 2009, priority processing was introduced to address the needs of industry and State/Territory governments (DIAC, 2010a). It was decided that applications in higher priority groups were more in line with Australia's economic needs, and therefore should be processed before applications in lower priority groups, regardless of when applications were lodged (Mares, 2011a). The estimated processing times for each category of priority are compared in Table 3.3. This priority processing represented a critical

departure from past practice, wherein independent applications were the norm in the GSM programme (Hawthorne, 2011).

Table 3.3 *Processing priority groups and order of processing*

Priority Group	Application Type	Estimated Processing Time
1	Regional Sponsored Migration Scheme (RSMS)	5 – 8 months
2	Employer Nomination Scheme (ENS)	5 – 8 months
3	Nominated by a State/Territory government agency for an occupation specified on that agency's State Migration Plan (SMP)	12 months
4	With nominated occupations on the Skilled Occupation List	18 months
5	Other applications	Assessment will only commence when all applications in priority groups 1-4 are finalised

Note. Adapted from Skilled migration visa processing times, DIAC, n.d., Retrieved 14 April, 2012, from <http://www.immi.gov.au/about/charters/client-services-charter/visas/8.0.htm#a>.

In February 2010 the government, having used the MODL as an instrument of skilled migrant selection for more than a decade, abandoned it. In its stead, the CSL was adopted as an interim administrative measure, and revoked when the new SOL was released in May 2010 (DIAC, 2010e, 2010g). The new SOL listed 181 managerial, professional and trade occupations, and excluded previously popular occupations such as hairdressing and cooking (Koleth, 2010).

As part of the policy reform, State and Territory governments were encouraged to be more involved in skilled migration selection by developing their own migration plans to sponsor suitable applicants to settle in their jurisdictions. The State Migration Plan (SMP) was intended to strengthen the economy in each region by attracting people possessing skills that meet the specific demands of their labour market (DIAC, n.d.-c). In addition, the introduction of the 'capping and ceasing' agreement²¹ gave the Minister for Immigration and Citizenship the right to cap the number of permanent residence visas awarded per specific occupation, whereby the government could ensure that migrant labour was not over-supplied (Hawthorne, 2011).

²¹ The agreement, effectively a quota, applied to offshore GSM applications which were received before 1 September 2007. Once the quota for an occupation was reached, any application for that class of visa which was not finalised would not proceed further and the application and visa application charge would be returned to the applicant.

In November 2010, the government introduced a new points test, effective from 1 July 2011, under which skilled migration applicants, while still being required to nominate an occupation on the applicable occupation lists, would no longer receive points on the basis of nominating an occupation in demand. Overseas qualifications would be given formal recognition, provided they were deemed comparable to the relevant Australian level of qualification, and could also be claimed for points (DIAC, 2010d). Furthermore, based on the 2010 points test review, applicants for skilled migration would not necessarily benefit by holding postgraduate qualifications, such as a Master's degree, or Honours plus Bachelor's degree; these would no longer receive higher recognition in points award than Bachelor degrees (DIAC, 2010b).

As a result of these changes to skilled migration policy and practice, Australia's GSM programme became progressively advantageous to applicants with strong English language ability, extensive work experience in a field of skilled employment, and more importantly, with sponsorship from an employer or a State/Territory government.

A comparison of Australia's skilled migration policy prior to and after the announcement of the changes to GSM policy in November 2010 can be found in Appendix 3.

3.2.3 Permanent residence and citizenship

A Permanent Resident Visa validates a foreign national's legal right to remain living and working in Australia indefinitely. At the culmination of an application process for selection, an applicant will be granted an initial five year visa, along with permanent resident status. This enables the visa holder to leave and re-enter Australia at any time without restriction until the five year duration expires.

After the initial visa expires, people with permanent status can continue to live in Australia without breaching immigration regulations. However, if they wish to continue travelling to and from Australia as a permanent resident, they have to obtain another five year Resident Return Visa. People who live outside Australia for too long during the first five year period may lose their permanent resident status, if they do not have a compelling reason for not residing in Australia (DIAC, n.d.-b).

Alternatively, people with permanent resident status may apply for Australian citizenship. Any applicant wishing to apply for citizenship must meet the following requirements at the time of lodging their application:

- Has been living in Australia on a valid visa for at least four years immediately before applying for citizenship, including one year as a permanent resident; and
- Has not been away from Australia for more than one year during the four year period, including no longer than 90 days in the last year immediately before applying (DIAC, n.d.-a).

Since July 2007, most applicants for Australian citizenship have been required to pass a citizenship test. The test is designed to assess an applicant's English language ability, knowledge about Australia, and whether the applicant understands the responsibilities and privileges which apply to being an Australian citizen (DIAC, n.d.-a).

Subsequent to obtaining Australian permanent residence or citizenship, migrants may sometimes move to another country after a period of residence in Australia. Inevitably, Australian permanent residence does not give the residence holder any advantage when going to another country, but it can be seen as an insurance policy; should their ventures in the new country not succeed they can still return to Australia. Such movement after migration is identified by Hugo (2008) as "third country migration" (p. 269). An example is found in the study carried out by Xiang (2001, 2007), of some Indian immigrants moving to Australia with the intention of moving to the US or the UK afterwards. In such a case, Australia is seen as a stepping-stone to countries considered "bigger players in the global economy" (Hugo, 2008, p. 283).

3.3 Immigration in New Zealand

From as early as the 1840s, New Zealand has regarded immigration as a necessity, not a choice (Birrell et al., 2006). Without immigrants from overseas, New Zealand would be unable to replace the outflows of New Zealanders who leave to live and work overseas (Bedford, 2006). Owing to this phenomenon, for many years New Zealand's immigration policy was designed deliberately to encourage potential skilled migrants to choose New Zealand as their new home

rather than discourage them (Bedford & Ho, 2006). However, New Zealand's border has not been readily accessible to people from anywhere in the world in the past.

Like Australia, New Zealand's approach to immigration had also traditionally favoured white people as immigrants (Jock Phillips, 2013). Even though there was no nominal 'White New Zealand' policy, the New Zealand approach was to 'make New Zealand a Britain of the South' and 'keep the country white'. People from Britain or Ireland were actively recruited as preferred immigrants, while 'non-whites' were perceived to be undesirable and were intentionally kept out by restrictive laws and regulations (Beaglehole, 2012a, 2012c).

New Zealand's early preference in the admittance of new immigrants was illustrated by the *Immigration Restriction Act 1899*. There was no 'dictation test' per se, but the Act denied entry to people who were not able to complete an application form in 'any European language' – in practice, generally English. This rule was intended as a screening mechanism even though the application form was a standard one so in fact, people could possibly pass by memorising a few lines of English (Beaglehole, 2012a). Later, under the *Chinese Immigrants Amendment Act 1907*, would-be Chinese immigrants were specifically required to pass an additional English language reading test. Under this discriminatory Act, they were not allowed to enter New Zealand until they could demonstrate that they were able to read a printed passage of no less than 100 words of the English language selected by the customs official (Bellamy, 2008).

The English language reading test was removed under the *Immigration Restriction Amendment Act 1920*. However, its removal did not mean that the requirements for non-white immigrants were entirely relaxed. Under this Act a 'permit system' was introduced whereby people who were of British or Irish birth or descent were given free entry to New Zealand, while other nationalities had to apply in writing for a permit to enter. In this way, the government had the ultimate power to determine whether a particular applicant would be allowed entry to New Zealand (Beaglehole, 2012b; Bellamy, 2008).

In 1986 New Zealand's immigration policy underwent a profound review. The *Immigration Act 1987* formally abandoned the emphasis on ethnicity or nationality as the basis for admitting immigrants. A residence system was also introduced, based on the three streams of

immigration – economic (skilled/business), family, and humanitarian (Nana & Sanderson, 2008). The residence system broke with the tradition of favouritism towards a particular ethnicity by deeming any person who satisfied the specified requirements a desirable immigrant (Beaglehole, 2012c).

In 1991, New Zealand introduced a points system²² to quantify the selection criteria for skilled migration applicants, based on their individual characteristics such as age, education, business, profession, and assets (Bedford, 2006). Ideally, applicants who were young, had professional qualifications with a high level of skills, and who could bring investment capital into the country were the preferred new immigrants (Kember, 2002).

After the Clark Labour government was elected in 1999, New Zealand's immigration policy underwent another major reform. It placed a stronger focus on economic migration (60 percent of the total migration target), compared to family (30 percent), and humanitarian/refugee (10 percent) (Birrell et al., 2006; Department of Labour, 2008). Since 2001, the annual quota for permanent residence approvals has remained at the level of 45,000–50,000, with skilled/business migrants accounting for approximately 27,000-30,000 places (Department of Labour, 2010).

In April 2002 New Zealand introduced a Work to Residence category to encourage skilled people, including foreign workers and international students, to transition from temporary to permanent status (Bedford, 2006; Department of Labour, 2008). In addition, under the points system, bonus points were offered to applicants who had skills in specified fields, who had a job offer outside Auckland, or more importantly, who had a New Zealand qualification (Butcher, 2004). The policy link between international education and skilled migration, referred to as 'New Zealand's two-step migration' in this study, will be discussed in detail in section 4.4.

3.3.1 Skilled Migrant Category (SMC)

²² The points test was introduced in Australia in 1973.

In December 2003, the SMC programme was introduced in New Zealand. The selection system of this programme used a revised points system consisting of a two-stage 'by invitation' process and a 'pass mark' system²³ (Bedford, Ho, & Bedford, 2010; Shachar, 2006). By introducing the 'by invitation' process, the slant of the skilled migration programme was shifted "from the passive acceptance of residence applications to the active selection of skilled migrants" (Department of Labour, 2008, p. 9).

Applicants wishing to apply for permanent residence under the SMC programme are required to first submit an Expression of Interest (EOI) to initiate the application. No documentation is required at this stage, but applicants need to qualify above a prescribed level of points²⁴ to enter a selection pool. The selection begins with applicants with the highest points (140 or above), since they would apparently have the most to offer New Zealand economically and socially (Beaglehole, 2013; Immigration New Zealand, 2009). If additional places are available, applicants with points between 100 and 140 are selected every fortnight. Selection points can vary at each time of selection, but as illustrated in Table 3.4, the selection process prioritises applicants who have a job offer or current skilled employment in New Zealand. Applicants without work experience or a job offer may possibly be selected, but only if additional places remain (Bedford et al., 2010). Unselected applications remain in the pool for six months before an unsuccessful determination is made (IMMagine, n.d.).

²³ Australia, by contrast, continued to use the pass mark system as the sole mechanism of processing skilled migrant applications until 2012. Australia introduced SkillSelect and adopted an EOI system in July 2012.

²⁴ In 2011, a minimum of 100 points were required for the application to be considered for New Zealand residence.

Table 3.4 *Priority in skilled migration processing*

Points	Processing Priority
140 or above	With a job offer or current skilled employment
	Without a job offer or current skilled employment
100 – 139	With a job offer or current skilled employment
	With 15 points for work experience in an area of absolute skill shortage
	With 10 points for work experience in an area of absolute skill shortage
	With 10 points for a qualification in an area of absolute skill shortage
100	Without points for a job offer or current skilled employment, work experience in an area of absolute skill shortage or for a qualification in an area of absolute skill shortage

Note: Adapted from New Zealand immigration policy overview, IMMagine, n.d., Retrieved 21 July, 2011, from <http://www.immigration.co.nz/do-i-qualify/nz-immigration-policy/criteria-process/>.

Once the EOI is selected the applicant will be sent an Invitation to Apply (ITA). At this stage, the applicant is required to submit a full application with all relevant documentation. The full application will then be assessed on the basis of the ability and potential the applicant demonstrates (Masgoret, Merwood, & Tausi, 2009). The two-stage ‘by invitation’ process is generally considered effective, and “a durable anchor for the points system” (Bedford et al., 2010, p. 4), in that it prevents New Zealand’s permanent migration programme from accruing backlogs of unprocessed skilled migration applications.

Table 3.5 shows the essential eligibility requirements that need to be met by skilled migration applicants in order to qualify for permanent residence in New Zealand. Each criterion will be described in detail in the following sub-sections.

Table 3.5 *Essential requirements for qualifying for skilled migration in New Zealand*

Criteria	Description
Age	Under 56 years of age
Education	Completed one of the New Zealand qualifications or overseas qualifications recognised as comparable to the relevant New Zealand qualification level
Skilled employment	Has a current skilled employment or job offer in New Zealand
English language Ability	Meets English language requirement (IELTS 6.5 overall)

3.3.1.1 Age

Points are awarded to an applicant based on the age criterion, which ranges from five points for being age 50 to 55, to 30 points for being age 20 to 29. The maximum threshold for the age criterion is age 55.²⁵

3.3.1.2 Educational qualification

Points are awarded to an applicant based on the qualification criterion, which ranges from 40 points for having a Certificate or Diploma (level 4-6) qualification, to 60 points for having completed a Master's or Doctoral (level 9-10) degree. Ten bonus points are available to applicants whose qualifications pertain to an area of identified future growth, or an area of absolute skill shortage.

For immigration purposes, Immigration New Zealand (INZ) refers to a list of overseas qualifications that may be readily exempt from assessment. If an overseas qualification appears on the exemption list, the qualification can be used to claim points without having to be assessed by the New Zealand Qualifications Authority (NZQA). If an overseas qualification does not appear on the list, the qualification can still be used to claim points, provided 1) it has been assessed by the NZQA; 2) the level of qualification is recognised as equivalent to the New Zealand qualification level; and 3) the immigration case officer is satisfied with the assessment outcome.

New Zealand study experience benefits former international students by award of a number of bonus points. Former students are eligible for various bonus points if they have completed 1) two years of full-time study and obtained a recognised New Zealand qualification at the Bachelor level (10 points); 2) one year of full-time study and obtained a recognised New Zealand qualification at the postgraduate level (10 points); or 3) two years of full-time study and obtained a recognised New Zealand qualification at the postgraduate level (15 points). The qualification must have been undertaken while the applicant resided in New Zealand.

3.3.1.3 Skilled employment and work experience

²⁵ By comparison, age 49 is the maximum age threshold in Australia.

By definition, skilled employment requires specialist, technical or management expertise. Such expertise is often obtained through the completion of relevant qualifications, work experience or a combination of both (Immigration New Zealand, n.d.). Whether or not an occupation can be deemed 'skilled employment' is determined by closely matching the applicant's position description against the Australian and New Zealand Standard Classification of Occupations (ANZSCO).²⁶

Local employment history indicates that a New Zealand employer has already made an adequate skills assessment and is satisfied with the outcome, so applicants with a job offer or who are in current skilled employment in New Zealand are highly desirable and awarded accordingly with points (Bedford et al., 2010). The proviso of having a job offer or current skilled employment also serves to ensure that labour in that specific occupation is not over-supplied (Hawthorne, 2011).

Applicants are awarded 60 points if they have had skilled employment in New Zealand for 12 months or more, or 50 points if they have received a job offer, or have been in skilled employment for less than 12 months. Ten bonus points are also available to applicants who hold skilled employment or a job offer in 1) an identified future growth area; 2) an area of absolute skills shortage; or 3) a regional area outside of Auckland.

Recognition is given to applicants who have relevant work experience either in New Zealand or overseas, and INZ is solely responsible for assessing skills and work experience.²⁷ Points are awarded to an applicant based on the relevant work experience criterion, ranging from 10 points for two years, to 30 points for 10 years. In addition, various bonus points are also available to applicants if the relevant working experience was 1) in New Zealand; 2) in an identified future growth area; or 3) in an area of absolute skills shortage.

New Zealand also uses Essential Skills in Demand Lists (ESID) to identify occupations and skills in short supply. The Immediate Skill Shortage List (ISSL) comprises of occupations that

²⁶ ANZSCO is a skills-based classification used to classify all occupations and jobs in the Australian and New Zealand labour markets.

²⁷ In Australia, by contrast, the responsibility of skills assessment is entrusted to each relevant assessing authority.

have immediate skill shortages, including temporary and seasonal work in horticulture, viticulture and other farming sectors, as well as casual employment in the fields of health and social services, recreation, hospitality and tourism (Immigration New Zealand, 2011a). As this list is only intended to address immediate skill shortages, occupations on the ISSL do not lead directly to permanent residence. On the other hand, the Long-Term Skill Shortage List (LTSSL) registers occupations that have been identified as subject to sustained and continuing shortage both globally and throughout New Zealand. Under the Work to Residence policy, applicants holding occupations on the LTSSL are eligible to apply for permanent residence after working in the same occupation for two years, providing that they have remained working in that occupation, with a base salary of at least NZD45,000 per annum (Immigration New Zealand, 2011a, p. 8).

3.3.1.4 English language ability

As early as 1995, IELTS was made the sole English test for immigration purposes. Applicants are required to demonstrate a minimum standard of English language ability by scoring at least IELTS 6.5 overall²⁸ (Masgoret et al., 2009), and this criterion does not attract points award.

On a case-by-case basis, an immigration case officer is allowed to use discretion in determining whether an applicant satisfies the minimum English requirement, if 1) the recognised education qualification of the applicant was conducted entirely in English; 2) the applicant completed a New Zealand qualification which required at least two academic years to complete; 3) the applicant completed a New Zealand postgraduate qualification and has an undergraduate qualification that qualifies for skilled migration; or 4) the applicant has been in skilled employment in New Zealand for at least 12 months. Nevertheless, sometimes an immigration case officer may still require an applicant to provide an IELTS score even though the applicant satisfies the above conditions (Immigration New Zealand, 2009).

3.3.1.5 Other requirements

²⁸ The overall score of IELTS is the average score of the four components. Australia, in comparison, requires that every skilled migration applicant scores at least 6 in each component (for zero points). Points (10 or 20) are awarded for scores of IELTS 7 or 8 respectively.

Applicants can claim extra points for meeting other criteria such as having close family in New Zealand, or having a partner who also meets the threshold requirements for skilled migration (Department of Labour, 2009).

The points allocation for each criterion under New Zealand's SMC programme can be found in Appendix 4, and a comparative summary of Australia's and New Zealand's skilled migration policy is shown in Appendix 5.

3.3.2 Changes to the skilled migration policy and practice

Subsequent to the introduction of the SMC programme in 2003 during the administration of the Clark Labour government, New Zealand's immigration policy has been fine-tuned only to accommodate the changing needs of the labour market. Even after the change of government in November 2008, the newly elected Key National government continued to maintain a stable skilled migration policy in the months immediately after the general election.

Before its election, the National government had set out its intention to prioritise the retention of New Zealand citizens by reducing their loss to emigration and encouraging the return of New Zealanders from overseas (National Party, 2008). This priority was to have a great impact on the new government's general approach towards the recruitment of new skilled migrants (Hawthorne, 2011).

When the fallout from the global financial crisis was felt in 2009, New Zealand's economic climate worsened significantly. In order to deal with rising concerns over the slowing economy and growing unemployment rate, relatively major policy changes were made in July 2009. The government removed a large number of occupations from both the immediate and long-term skills shortage lists. In addition, the skilled migration selection process placed an even greater emphasis on applicants having current skilled employment or a job offer in New Zealand (Bedford et al., 2010; Hawthorne, 2011).

More policy changes were made through the *Immigration Act 2009*. These included a change of terminology, a higher level of responsibility required of sponsors for visitor and family

residence, the introduction of new categories of sponsor, and a greater focus on employer obligations to ensure that prospective employees were legally permitted to work in New Zealand (Hawthorne, 2011). No major changes, however, were made under the Act to those criteria that would affect the transition of international students and foreign workers from temporary to permanent status (Immigration New Zealand, 2011b).

Since New Zealand continues to rely on additional skilled workers and immigrants to replace outflows of its population, this dependence thereby underpins a well-designed immigration policy and makes its implementation critically important to New Zealand's economic prosperity and growth. In June 2011, further changes were made to the skilled migration policy to ensure that successful skilled migration applicants were highly qualified, and therefore better able to aid the country's economic growth (Immigration New Zealand, 2011c).

3.3.3 Permanent residence and citizenship

At the end of a successful application process, an initial resident visa will be granted. Holders of the resident visa are allowed to stay in New Zealand indefinitely, with travel conditions, for two years. After the initial visa expires, resident visa holders can extend the expiry date of their travel conditions, or apply for a permanent resident visa if they want to leave and re-enter New Zealand at any time without restriction (Immigration New Zealand, 2010).

Most applicants would be eligible to progress to a permanent resident visa, if they have 1) been a resident in New Zealand for at least two years; 2) met all the conditions of their resident visa;²⁹ and 3) spent a total of 184 days or more in New Zealand each year within two years of the date the resident visa was granted. People with a resident status are eligible to apply for New Zealand citizenship if they intend to continue to live in New Zealand, and can meet the following requirements:

- understanding and speaking English;
- being of good character;
- understanding the responsibilities and privileges of New Zealand citizenship;

²⁹ For example, a resident visa holder approved under the Investor Category may be conditionally required to invest and maintain a certain amount of money in New Zealand for a certain amount of time.

- having New Zealand residence; and
- their being physically present in New Zealand, having had New Zealand residence for the last five years immediately before applying (Department of Internal Affairs, n.d.).

Applicants for New Zealand citizenship may be invited to attend an interview by the Citizenship Office,³⁰ although most applicants are not interviewed as part of the standard citizenship process (Department of Internal Affairs, n.d.). Table 3.6 sets out eligibility and requirements for applying for citizenship in Australia and New Zealand.

Table 3.6 *Resident visas and citizenship comparisons*

	Australia	New Zealand	
Resident visas	5 year resident visa	Resident visa	Permanent resident visa
Entitlement	Stay in Australia indefinitely with 5 year travel conditions	Stay in New Zealand indefinitely with 2 year travel conditions	Leave and re-enter New Zealand at any time without restriction
Requirements for naturalisation	Living in Australia on a valid visa for 4 years before applying for citizenship, including 1 year as a permanent resident	Be physically in New Zealand and have had residence for the last 5 years	
Applying for citizenship	Citizenship test	May be invited for an interview	

In New Zealand, the phenomenon of ‘third country migration’ is more evident than in Australia, and Australia is of particular interest as a destination for New Zealand permanent residents and citizens. Although people with permanent residence in New Zealand are not privileged in immigrating to Australia, and still need to apply for appropriate visas before making the move to Australia, under the Trans-Tasman Travel Arrangement New Zealand citizens are easily able to enter Australia to visit, work or live indefinitely without having to apply for a residence or work permit.

As estimated by the Australian Department of Immigration and Multicultural Affairs (DIMA),³¹ around 435,000 New Zealand citizens were physically present in Australia in June 2000 (Birrell & Rapson, 2001). Evidently, trans-Tasman migration by New Zealanders to

³⁰ Australia, in comparison, requires applicants to sit a mandatory citizenship test.

³¹ DIMA was changed to DIAC in January 2007, and changed again to DIBP in September 2013.

Australia is not limited to those born overseas; it is also common among New Zealand-born citizens. The substantial outflow of New Zealanders into Australia's larger economy and labour market has, over time, however, resulted in the Australian government's decision to change the welfare entitlements of New Zealanders living in Australia (Bedford, 2003, 2006).

The policy change made in 2001 meant that New Zealand citizens could still live and work in Australia without restriction, but were now required to obtain permanent resident status if they wished to have access to social welfare, become an Australian citizen, or sponsor family members' applications for permanent residence (Hugo, 2004). This change was primarily intended to reduce the number of New Zealanders taking advantage of Australia's social welfare system. But it also served the purpose of limiting the number of overseas-born New Zealand citizens using New Zealand as a stepping-stone to Australia, who may otherwise have been unable to meet the more stringent selection criteria set by the Australian GSM programme (Bedford, 2006; Hugo, 2004).

3.4 Conclusion

As a result of their ageing populations, low fertility rates, and labour market skill shortages, it has become increasingly important for advanced countries to maintain an inflow of skilled migrants through competitive immigration policy settings. The earlier part of this chapter provided a brief overview of the immigration approaches that popular immigrant destination countries such as the United States, the United Kingdom and Canada have taken to admit new immigrants.

The latter part of this chapter described the immigration frameworks of Australia and New Zealand. It described the process of transmutation of preference in the immigration policies of both countries from source country, or ethnicity, to potential economic contribution. It then outlined the skilled migration programmes and associated requirements of each country. Subsequent changes to skilled migration policy and practice were also explained. Lastly, details of eligibility and process for citizenship in Australia and New Zealand were given. A similarity of trend in the skilled migration policy settings of Australia and New Zealand was observed,

namely, the increasing emphasis on higher level, better qualified applicants with local employment experience.

This chapter provided general information about skilled migration policy settings in Australia and New Zealand. It found that skilled migrants are recruited not only through a range of offshore application processes, but from the respective pools of international students who have been undertaking tertiary study in both countries. This finding leads, in the following chapter, to a discussion of the policy setting linking study and migration.

Chapter 4 Policy Setting Linking Study and Migration

The preceding chapters showed that international education is important to Australia and New Zealand in two ways. The economic contribution derived from international students is enormous; and international education is an excellent channel for recruiting international students as prospective skilled migrants. With increasingly intensified global competition for talent, the approaches taken by popular study destinations towards international students seeking permanent residence in their country have become important. Therefore, the aim of this chapter is to examine the development of policies linking study and migration in Australia and New Zealand.

This chapter is divided into five sections. In section 4.1 the contributing motivational factors for international students to seek permanent residence in their host country are discussed. Section 4.2 describes the approaches that the United States, the United Kingdom and Canada have taken towards international students seeking permanent residence in their countries. Section 4.3 examines Australia's study-migration pathway. It recounts the government's policy decision to advantage former students in the skilled migration selection, identifies the opportunities and challenges that have emerged from the policy setting linking study and migration, and reviews subsequent policy changes and their implications. It then lists important previous studies in the research subject undertaken by government and academics. Section 4.4 follows the same structure as the preceding section, in the context of New Zealand's two-step migration. Section 4.5 provides a brief conclusion to the chapter.

4.1 Motivations of student migration

Today, the majority of overseas students are self-funded rather than financially sponsored by their home country, host country or education institution. Undertaking international education is no longer considered an opportunity to study for the public good of a student's home country but as a personal investment in their future success in the global labour market. While many students still return home after completing their studies, a growing number of international students eventually choose to remain in the country where they received their

highest level of education (Gribble, 2008). In fact, Tremblay (2005) identified that “study abroad can be part of a deliberate immigration strategy from the perspective of students” (p. 197). Therefore, based on the prospect of immigration, many students from developing countries have undertaken education in a developed country as a means of increasing their chances of embracing lifestyles and opportunities not available in their home countries (Jackling, 2007).

While there are a variety of reasons that may prompt international students’ decisions to obtain permanent residence in their host country, Lee and Kim (2010) suggested that all contributing factors could be explained by the concept of global political economy. Since overseas students are often motivated to stay in their host country by the desire to pursue a better career or take up employment opportunities that are not available at home, it appears that their decision is a priority strategy, after comparing the differences in economic and social structures between their host country and home countries.

Khoo et al. (2008) found that the decisions of temporary migrants to remain or return are determined by the relative economic conditions in the host country and their home countries. More specifically, one New Zealand study (Mills et al., 2005) found that international students from poorer countries appear to give immigration a higher priority, while students from richer countries may be less likely to apply for permanent residence. However, when opportunities in host and home countries more closely correlate, the desire to immigrate will also reduce relatively (Dreher & Poutvaara, 2005).

In Australia, Mares (2009) noted that many temporary migrants would have invested significantly in their life in Australia during the time they have spent there, in financial and psychological senses. As a result, returning to their home country or moving to another country and starting again rarely seemed a practical move to many students because of the financial and social costs that would incur. Mares (2011a, 2011b) also suggested that when temporary migrants stay in the country long enough, they often develop a combination of emotional, psychological, cultural and financial connections to Australia. These connections may encourage international students to develop certain expectations of Australia and inspire them to obtain permanent residence in Australia.

After interviewing 105 international students in Australia, Tran and Nyland (2011) found that many of their respondents only began to consider the possibility of migration after they had learned that permanent residence could be obtained with relative ease in accordance with the policy setting linking study and migration. Since immigrating to Australia had always been difficult in the past, this opportunity presented to overseas students a chance “one would be foolish not to seize” (p. 20). Similarly, Robertson (2010) suggested that international students were somewhat encouraged to apply for permanent residence through the study-migration pathway that favoured former students in the skilled migration selection.

In addition, Tran and Nyland (2011) also noted that some student respondents wanted to obtain permanent residence in Australia because permanent status was often necessitated by the local employment market. Their finding was, to some extent, supported in a 2010 report by AEI (2010a), which found that one of the common barriers for overseas students to finding work in the Australian labour market was their lack of permanent status. Consequently, the struggle to find employment reinforced overseas students’ determination to obtain permanent residence in order to improve their employment prospects.

In another study investigating the decisions of Chinese students to obtain permanent residence in Australia, Guo (2010) found that many Chinese students wanted to have Australian permanent residence as a ‘security’ or an ‘insurance policy’ that would enable them to legally return and live in Australia whenever they desired.

By contrast, a New Zealand study (Wilkinson et al., 2010) found that international students wanted to gain permanent residence predominately because of its peaceful lifestyle, the clean green environment, and the laidback pace of life. Second, international students wanted to settle in New Zealand because of its safety, political stability and relatively low crime rates. Third, education opportunities for themselves or their children were also important in making the decisions to immigrate to New Zealand. Among other factors, this study also found that “securing a place for the family to live if desired in the future” (p. 31) motivated international students to obtain permanent residence in New Zealand.

Robertson (2008) further identified four types of motivation behind her research participants' decisions about transitioning from permanent residence to citizenship in Australia. These motivations included 'subjective motivations', desire for security, desire for political participation and desire for mobility. Feelings such as obligation, emotional connections and a sense of belonging are part of 'subjective motivations'.³² Desire for security motivated some of her participants to apply for citizenship because they feared that permanent residence status was not a secure position. Such fears were often connected to uncertainty about the political climate in Australia. Desire for political participation overall might not be a critical factor, but it was important to some of her participants who wanted to exercise their political voice by having a legal right to vote. Finally, achieving greater mobility with an Australian passport was clearly an important motive for her participants from the developing world in obtaining Australian citizenship.

4.2 Linking study and migration

As indicated in the preceding chapter, the need for a skilled workforce has shaped the skilled migration policy setting in many OECD countries. It is, however, the competition for 'the best and brightest' that is shaping policy approaches towards international students seeking permanent residence in these countries. International students are often young, have advanced skills in the language of the host country, and have already completed tertiary/higher qualifications recognised by the host country. In addition, through their studies and time spent in the host country, they have gained knowledge and experience of the local work environment, and in most cases have already built an understanding of local society and culture (Hawthorne, 2005; Wilkinson et al., 2010). Because of these advantages, former students were expected to make a more immediate contribution as skilled migrants to the economy than first-time skilled migrants arriving from offshore (Hawthorne, 2010a).

Since international students overall have shown a keen interest in staying on or immigrating to their host country, policies that facilitate their transition to work or permanent residence would

³² 'Subjective motivations' are distinguished from 'objective motivations', which include more direct and substantial advantages associated with permanent status in the host country, in, for example social, legal or economic aspects.

certainly reinforce a host country's attractiveness to international students (Chaloff & Lemaitre, 2009; OECD, 2009). Before this chapter examines the policy setting linking study and migration in Australia and New Zealand, the following sub-sections will describe the policy approaches of popular English-speaking study destinations such as the United States, the United Kingdom and Canada towards international students seeking permanent residence in their country.

4.2.1 The United States

As the most desirable study destination for international students, the United States has also been a popular immigration destination country where overseas students would like to stay after completing their studies. According to Alberts and Hazen's (2005) study, in the early 1990s more than 60 percent of foreign doctoral students reportedly intended to remain in the US after completing their degrees. A similar finding, reported by the National Science Foundation (NSF) (Hoffer, 2006), was that 73.9 percent of foreign doctorate students who received their degrees in 2005 intended to stay in the United States upon completion.

However, family reunion has been the cornerstone of the US permanent migration programme, and there is no pathway for overseas students to transition to permanent residence independently, unless they are sponsored by a US employer or a US citizen spouse (Batalova, 2007). Unless applicants for permanent residence have demonstrated exceptional talent, for example by having won a Nobel Prize (US Citizenship and Immigration Services, 2011), the majority are required to receive a permanent job offer and obtain a petition from the employer (US Citizenship and Immigration Services, 2009).

Therefore, most former students transition to permanent residence in the US by first obtaining an H-1B work visa.³³ To be eligible, international students should have graduated from a US university with at least a Bachelor's degree and have skills in areas of demand, such as in science, technology, engineering, mathematics and advanced research (She & Wotherspoon, 2013). The H-1B visa allows the employer to then sponsor the visa holder to apply for and

³³ The H-1B visa is valid for up to six years.

obtain a green card (permanent residence) based on permanent employment in the US (Alberts, 2007; Workpermit.com, n.d.).

Additionally, the Optional Practical Training (OPT) programme provides international students with an opportunity to test their employability and gain practical work experience in the US, after completing their studies (She & Wotherspoon, 2013). The OPT is normally valid for up to 12 months, and former students must be employed to work in a job that is directly related to their field of study (University of Pennsylvania, 2012). The OPT can potentially lead to an H-1B work visa if the employer is willing to nominate and sponsor the former overseas student by the end of the programme.

It is not impossible for former international students to gradually adjust their status to that of permanent resident in the United States. However, even the most qualified students often find it very difficult to obtain a work permit and transition to permanent residence after completing their studies (She & Wotherspoon, 2013).

4.2.2 The United Kingdom

There is no direct pathway for former students to transition to permanent residence in the United Kingdom. However, the Points Based System (PBS), effective from February 2008, allowed international students to gradually transition to permanent residence through a skilled work route. As shown below, the PBS framework consists of five tiers:

- Tier 1: Highly skilled individuals who can contribute to growth and productivity;
- Tier 2: Skilled workers with a job offer to fill gaps in the UK labour force;
- Tier 3: Low-skilled workers needed to fill specific temporary labour shortages;
- Tier 4: Students;
- Tier 5: Youth mobility and temporary workers. Under this category people are allowed to work in the UK for a limited period of time to satisfy primarily non-economic purposes (Secretary of State for the Home Department, 2006).

Essentially, Tier 4 is a temporary arrangement which allows international students to study at an accredited education institution in the UK. Between February 2008 and April 2012, international students had an opportunity, following study, to switch to Tier 1 (the 'Post-Study

Work' category) and apply to work in the UK for a maximum of two years. This enabled former students to find suitable employment and acquire local work experience before making another transition to mainstream Tier 1 or Tier 2 (Mulley & Sachrajda, 2011; Secretary of State for the Home Department, 2006). The 'post-study work' category allowed former students to stay, work legally, and eventually seek permanent settlement through skilled migration (Hawthorne, 2008a). This scheme was, however, discontinued in April 2012³⁴ (Workpermit.com, 2011).

The passive, if not reluctant, approaches of the United States and the United Kingdom to retaining international students can be contrasted with the active facilitation of student migration by Canada, Australia and New Zealand, countries who provide former students with a more friendly and promising pathway to permanent residence (Hawthorne, 2008b; Suter & Jandl, 2008). In these countries, allowing international students to remain, work, apply for, and obtain permanent residence are part of strategic policies which aim to attract and retain international students as skilled migrants (Tremblay, 2005).

4.2.3 Canada

Previously, it was extremely difficult for international students to transition to permanent residence in Canada, but over the past decade Canada has actively removed some of the barriers encountered by international students seeking to transition to work or permanent residence (AEI, 2003, 2005; CIC, 2012b). From 2005, former students were able, upon graduation, to apply for a two-year work permit to work legally in Canada, provided they agreed to relocate and work outside major metropolitan cities such as Montreal, Toronto and Vancouver (Gribble, 2008).

³⁴ The UK's policy approach has changed markedly since 2008, and in April 2011 strict rules were put in place to limit work rights to only students enrolled in universities and government-funded further education colleges. In addition, in August 2011 the previous Tier 1 category 'General Visa' was replaced by the new Tier 1 category of 'Exceptional Talent'. The new category restricted eligibility to immigrate to the UK to up to 1,000 applicants who were deemed exceptionally talented leaders in their field. It also meant that international students who received a job offer from a sponsoring employer under Tier 2 could remain and work in the UK. After the Post-Study Work scheme was ended in April 2012, international students, particularly from non-EEA (European Economic Area) countries, have found it very difficult to live and work in the UK after graduation, let alone to qualify for permanent settlement. Indeed, the intention of these measures was to prevent international students from seeking permanent settlement in the UK.

Further, since April 2008, after completing their studies in Canada, eligible former students could apply for an open work permit under the Post-Graduation Work Permit Program (PGWPP). This programme gave overseas students an opportunity to seek Canadian work experience, in a field in or outside of their own course area, for up to a maximum of three years (CIC, 2008a, 2009). In September 2008, a new migration category of 'Canadian Experience Class' (CEC) was then created under the skilled migration programme. This category was intended to encourage eligible former students and foreign workers to transition from temporary to permanent status (Hawthorne, 2010a), if they could satisfy the following conditions:

- plan to live outside the province of Quebec;³⁵
- have at least 12 months' full-time (or an equal amount in part-time) skilled work³⁶ experience in Canada in the three years prior to applying;
- have gained skilled work experience in Canada through PGWPP; and
- have sufficient knowledge of the English or French language (CIC, 2013).

In addition, the Provincial Nominee Program (PNP) allows each province or territory to design their own migration criteria to sponsor people with skills, educational background and work experience specific to the individual needs of the province or territory, to transition to permanent residence in Canada (CIC, 2012a).

The transition of international students to permanent residence in Canada is still highly dependent on their ability to acquire Canadian work experience, or on their having a current job offer in Canada (She & Wotherspoon, 2013). However, the number of former students transitioning to permanent residence in Canada through all immigration channels doubled from 5,486 in 2003 to 10,357 in 2008 (WES, 2010), indicating the favourability of Canada's immigration pathways for international students.

4.3 The study-migration pathway in Australia

³⁵ Quebec has, since 1987, had its own independent points system to assess skilled workers.

³⁶ Skilled work includes managerial, professional and technical jobs, and skilled trades.

During the period of the Colombo Plan's operation in Australia, sponsored students were obliged to return home after graduation; there were many private international students, however, who wished to stay in Australia and had managed to do so. Therefore, to prevent private overseas students from using education as a backdoor means of migration, and to safeguard Australia from unwanted immigration pressure, a policy that required international students to return home after study for at least two years before they became eligible to apply to immigrate to Australia was introduced in 1979 (Megarritty, 2007a).

Other policy mechanisms to bar overseas students from applying for permanent residence immediately on completion of study were also put in place. One measure required former students to wait three years before becoming eligible to apply to immigrate (Hawthorne, 2008b); another required that skilled migration applicants have at least six months' work experience in their nominated occupation in the 24 months immediately prior to their lodging applications. These measures effectively stopped private overseas students applying for permanent residence upon completion of their studies; the majority of international students therefore had no choice but to return home and work in their nominated occupations until they finally became eligible to apply to immigrate (Birrell, 1999).

These restrictive aspects of Australia's immigration policy did not, however, weaken the interest of international students in applying for and obtaining permanent residence. According to a 1991 survey involving 2,019 international students studying at Australian universities at that time, about 47 percent of student respondents reported that they were considering immigration to Australia at a later stage (Nesdale, Simkin, Sang, Burke, & Fraser, 1995). Although the desire of international students to obtain permanent residence has not diminished over the years, the approach of Australia's policy setting towards those seeking migration has changed dramatically since the late 1990s. Skill shortages, particularly in the fields of information technology and accounting, had prompted local business lobbies to pressure the then Howard Coalition government to increase the number of skilled migrants (Betts, 2003; Birrell, 2003). Attention was subsequently drawn to the growing numbers of international students who were studying in Australia in those fields of interest at the time, but who had not been actively recruited as skilled migrants (Birrell, 2003).

Meanwhile, it was noted by government that the unemployment rate among skilled migrants who had been recruited through a range of offshore skilled migration programmes and subsequently arrived in Australia remained persistently high (Hawthorne, 2011). It was therefore anticipated that skilled migrants who were trained in Australia would have fewer barriers to finding employment or would perform better in the labour market than migrants arriving for the first time from offshore (Birrell & Healy, 2010; Hawthorne, 2008b; Ziguras, 2009). This projected betterment of employment results was expected to be particularly marked among migrants from non-English-speaking backgrounds (Birrell & Healy, 2010). Since by this time Asia was becoming a major source region of new Australian immigrants, early and strong employment results could be achieved through the selection of skilled migrants from the pool of eligible international students already studying in Australia.

From 1998, Australia began to develop immigration policies to facilitate the skilled migration of former students. Its incipient policy link between international education and skilled migration was the removal, in 1999, of the three-year bar on eligibility to apply. Since then, international students have been able to apply for permanent residence immediately after successful completion of their studies in Australia (Birrell, 2001; Hawthorne, 2010a). From July 2001, former students were given an extra five points towards their total points if they had completed their qualification in Australia. In addition, the usual two years' work experience was not required of former students if they applied for permanent residence within six months of graduation (Birrell, 2003; Birrell & Healy, 2008b).

Three onshore skilled migration categories (independent, sponsored and regional) were then created under the GSM programme for former students. Former students were thereafter no longer required to leave Australia after study and submit their residence applications offshore; they could now directly enter, or remain in, the labour market without disruption (Birrell & Healy, 2008b; IEAA, 2009). While waiting for their applications to be processed, former students were given unrestricted work rights, and so were not disadvantaged in seeking employment in Australia (Kinnaird, 2002). Further, a scale of bonus points was made available

to applicants who had completed an Australian qualification and had studied in the country for at least two years³⁷ (Birrell, 2003).

Until 2005, international students were generally assumed to have developed competent English language ability, to the level of IELTS 6, during their course of study. Therefore, when applying for skilled migration, former students were exempt from demonstrating their English competency through an IELTS score. They were automatically considered to have achieved competent English ability, if they had completed two years' study in Australia (Birrell & Healy, 2008a). A consequence of this favourable exemption plus the allocation of additional points was that former students were greatly advantaged in the skilled migration selection.

When the pass mark was raised to the extent that qualifying for permanent residence became less straightforward for former students, the Skilled Graduate Visa (subclass 485) was introduced in September 2007. This visa was designed for international students who 1) have completed two years study in Australia; 2) met minimum English requirements; and 3) have their qualifications recognised by a relevant accrediting authority (Birrell & Healy, 2010). This temporary work visa gives former students unrestricted work rights and enables them to stay in Australia for a further 18 months. By the end of this extended period, former students might have improved their eligibility for permanent residence by acquiring a higher IELTS score, completing a recognised Professional Year in their field of study, or working for one year in Australia in their nominated, or a closely related, occupation (Birrell, Healy, & Kinnaird, 2009; Jackling, 2007).

Another temporary work visa, the Business Long Stay Visa³⁸ (subclass 457), also enables former students to work in Australia for up to four years through employer sponsorship. Applicants for this type of visa must be sponsored by an approved employer in their nominated occupation. After two years of employment, should the employer be willing to continue sponsorship, the former overseas student could then apply for permanent residence under employment nomination (My Access Australia, n.d.). Alternatively, the former student

³⁷ The Australian study requirement was increased from one year to at least two years of study in 2003.

³⁸ The Australian Temporary Business (Long Stay) Visa was introduced in 1996. It is equivalent of the H1-B visa in the US. It is a temporary skilled work visa designed to address labour shortages by allowing employers to sponsor overseas skilled workers to work in Australia.

could also apply for permanent residence independently, or seek sponsorship from state nomination if the occupation is listed under the state migration plan, at any time during the term of this temporary work visa.

As shown in Figure 4.1, there are two study-migration pathways often utilised by international students to transition to permanent residence in Australia. The first route to permanent residence is via direct skilled migration, the pathway that has become more difficult since 2008. The second route, via transition from study to temporary work and then to permanent residence, has become more common since 2008. The time required to transition to permanent residence in Australia through this pathway has also been extended.

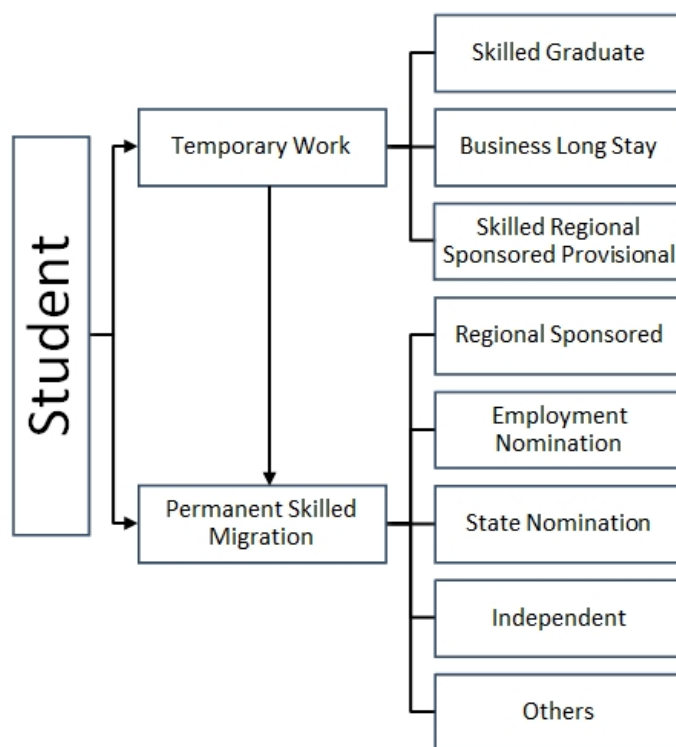


Figure 4.1. Student pathways to permanent residence in Australia

4.3.1 Opportunities and challenges associated with the policy setting

In the early 2000s, the study-migration pathway gave former students a direct path to permanent residence in Australia. Then, a former international student aged 30 or under, who had successfully completed an Australian qualification and met the occupational skills

requirements would have comfortably qualified for permanent residence under the GSM programme (DEEWR & DIAC, 2009a).

Within five years of the formation of the study-migration pathway, nearly 50 percent of successful applications on the GSM programme were from former students (Altbach & Knight, 2006; Gribble, 2008). By 2004/05, the number of permanent residence visas granted to former students was far higher than the number granted to applicants who had applied offshore (Birrell et al., 2006). The study-migration pathway then almost guaranteed the granting of permanent residence to former students, provided they also satisfied health and character checks (Hawthorne, 2010a).

By the same token, the study-migration pathway also created a powerful incentive for international students to study in Australia (Birrell & Perry, 2009; Hawthorne, 2010b). Although study in Australia was not in itself a guarantee of permanent residence, international students could extrapolate the likelihood of their successful completion of an Australian qualification leading to permanent residence (Birrell, 2001). As a result, the policy setting contributed to a surge of 30 percent in the demand by overseas students for Australian tertiary courses (Birrell et al., 2006).

Between 2000 and 2009 the number of international students studying in Australia almost doubled. In 2009, around one in five, or 22 percent, of tertiary students studying in Australia were international students (ABS, 2011). Among this number, many wanted to apply for and obtain permanent residence in Australia. A 2006 survey by Australian Education International (AEI) ³⁹ indicated that around two-thirds of international students undertaking higher education in Australia intended to apply for permanent residence upon completion (G. Davis, 2009).

The study-migration pathway in Australia has had far-reaching effects on the industries of international education and migration. Notwithstanding the substantial income revenues that international students have contributed to Australia, policy makers and scholars have

³⁹ AEI was established in 1998 as the international arm of DEEWR (formerly DEST), to promote Australian education and training abroad.

recognised some unintended consequences of the study-migration route. The following sub-sections describe three unintended consequences associated with the implementation of the study-migration pathway: the manufactured popularity of study disciplines, the rapid growth of the VET sector; and unsatisfactory employment outcomes for former students.

4.3.1.1 Manufactured popularity of study disciplines

The introduction of the MODL was intended to encourage immigration applications from individuals with specific skills in a number of targeted occupations. However, the priority and concomitant migration points, which under the GSM programme MODL-specified skills were granted, had the effect of motivating migration-driven overseas students to plan their Australian study to target the highest possible migration points (Jackling, 2007).

Encouraged by the MODL, certain study disciplines such as ICT, accounting, engineering and some business qualifications in higher education, as well as commercial cookery and hairdressing in the VET sector, gained huge popularity among international students. As can be seen from Table 4.1, the international student enrolments in these popular disciplines grew substantially between 2002 and 2008. Overall, the number of international students training to become hairdressers, commercial cooks and hospitality workers surged, from fewer than 5,000 in 2004, to more than 40,000 in 2008 (Lehrer, 2010).

Table 4.1 *Number of international students in five popular disciplines (2002, 2008)*

Enrolment number	Year	2002	2008
Degree			
Business/Commerce		29,068	48,922
Accounting		4,187	20,210
ICT		19,061	13,528
Engineering		6,991	11,052
Teaching		2,948	5,796
Diploma/Advance Certificate			
Business/Commerce		14,316	62,351
Food/Hospitality		1,264	11,551
Hairdressing		272	6,514
ICT		11,013	5,006
Accounting		988	4,455

Note. Adapted from “How valuable is ‘two-step migration’? Labour market outcomes for international student migrants to Australia”, by L. Hawthorne, 2010, *Asian and Pacific Migration Journal*, 19(1), p. 28.

The popularity of these courses was not prompted by their intrinsic value, but by the points they then attracted under the migration points test (Baas, 2006b, 2007). This was an unintended though predictable consequence of the policy setting’s legitimate allocation of up to 20 bonus points (towards a 110-point pass mark in the early 2000s) to applicants with qualifications appearing on the MODL (Hawthorne, 2011). Further, because Australia’s study-migration pathway exclusively advantaged former students, an applicant with local hairdressing or hospitality qualifications was helped to score migration points equivalent to, or even higher than, an applicant with a six year overseas medical degree (Hawthorne, 2010a).

By 2005/06, only a very few permanent residence visas were granted to onshore applicants who did not have a MODL occupation (Birrell, Healy, & Kinnaird, 2007). The study-migration pathway in this way contributed to the phenomenon in Australia’s international education sector whereby international student enrolments were concentrated in a small number of study disciplines made popular by the MODL (Birrell et al., 2006). However, since the popularity of these particular courses was due exclusively to the advantage offered in skilled migration selection, this was a false demand which could vanish as soon as they were withdrawn from the list of occupations in demand to which they applied.

4.3.1.2 Rapid growth of the VET sector

Traditionally, universities were the major education providers for international students in Australia. When the MODL was gradually expanded to include more trade occupations, a commercial opportunity for private education providers was opened up at the lower level of the market, in vocational education and training (Robertson, 2010). Many private education providers promptly capitalised on this opportunity by offering migration-driven students vocational training courses that promised the shortest route to permanent residence (Mares, 2011a). Many of these private education providers, according to Hawthorne (2010a), could be characterised as “wily entrepreneurial players existing solely to funnel international students into skilled migration” (p. 18).

Besides the MODL, the development of the VET sector was also closely related to the changing demographic profile of international students after 2004 (Birrell & Smith, 2010). The profile of the international student cohort, coming from wealthy families in countries such as Malaysia, Hong Kong, Indonesia and Singapore, was altered to comprise of students from lower socioeconomic backgrounds in countries such as China and India (Robertson, 2010). The vocational training courses appealed to this student cohort because they were cheaper and shorter; they were also less intellectually demanding, and a lower level of English language ability was required. These vocational training courses provided a study-migration pathway to those students who were equally eager to immigrate to Australia but less capable of studying courses at the degree or postgraduate level (DEEWR & DIAC, 2009a).

With the exception of a few scholars such as Tran and Nyland, who have argued that the migration intent of international students studying in the VET sector has been utterly generalised (2011), many academics have criticised the study-migration pathway for its openness to exploitation by both migration-driven overseas students and private vocational education providers (Birrell & Healy, 2010; Birrell et al., 2009). Furthermore, it has also been admitted by government that unscrupulous operators and fraudulent practices existed in the international education industry precisely because some private education providers were interested more in selling low-quality education as a pathway to permanent residence, than providing quality educational services (Das, 2009).

The increase in the number of international students enrolling in the VET sector was such that in 2007 it grew 51 percent, as compared with only an eight percent growth in higher education (Hawthorne, 2011). However, the growth of the VET sector was not a natural development of international education; it was largely driven by Australia's study-migration pathway.

4.3.1.3 Unsatisfactory employment outcomes

The purpose of retaining international students as skilled migrants, given the competitive advantages they had gained through Australian study, was the achievement of stronger labour market outcomes than first-time skilled migrants arriving from offshore. However, the study-migration pathway has not matched the policy setting's intention of building a stronger, skilled workforce.

Overall, the labour market participation of former students was acceptable, at 85 percent employed at six months' post-migration (Hawthorne, 2010a). However, it was noted in the 2006 GSM review that onshore skilled migrants were found to earn lower annual salaries, have lower job satisfaction, and use their educational qualifications less frequently when compared with offshore skilled migrants (Birrell et al., 2006). Furthermore, it appeared that only a small number of former students obtained employment at the professional or skilled level, while the majority struggled to secure a 'low-skilled' or 'semi-skilled' job (Birrell & Healy, 2008b; Birrell et al., 2007).

These unsatisfactory labour market outcomes for former students have been attributed by some as due to the difficulties they encountered in the employment market. Apart from inadequate English language skills, a lack of local work experience, social networks and cultural knowledge also appeared to significantly delay the employment participation of former students or at least undermine their labour market outcomes. Moreover, some level of discrimination on the part of local employers was also attributable (Robertson, 2010).

Most often, however, these outcomes were attributed to the lack of adequate English language skills and occupational competence of former students. In the higher education sector, some universities were criticised for compromising their English language entry requirements and progression standards in order to take in greater numbers of international students

(Hawthorne, 2008b); others had strategically created campuses in the Australian metropolitan cities and offered lower-quality educational services to exclusively cater to migration-driven overseas students (Birrell et al., 2006). Likewise in the VET sector, the study-migration pathway had led to the setting up of many Registered Training Organisations (RTOs) that entered the lucrative education and training market to profit from the influx of international students it had created. Subsequently, the adequacy of trade training and the assessment of the competency of graduates was also compromised (Birrell et al., 2007).

Furthermore, in the early 2000s, the study-migration pathway produced many young immigrants who had applied for and obtained permanent residence as soon as they had completed their studies in Australia. The majority of these had only limited practical work experience and labour market integration in their nominated occupation (Birrell et al., 2006; Robertson, 2010). Some international students might have had little or no intention to work in their field of study, merely using it as a stepping-stone to permanent residence (Birrell & Healy, 2008b; Birrell et al., 2007). Consequently, only a minority of former students appeared to actually enter or remain in their nominated occupations, with only 30 percent working in their profession at 18 months' post-migration (Hawthorne, 2010a).

All of the factors mentioned above contributed to unsatisfactory labour market outcomes for former students. The 2006 GSM review expressed a growing concern in relation to the study-migration pathway which exclusively advantaged former students with a MODL occupation in skilled migration selection (Hawthorne, 2008a). When the Rudd Labor government was elected in December 2007, reforming and restoring the integrity of the study-migration pathway became one of its national priorities (Hawthorne, 2011).

4.3.2 Shaping of the study-migration pathway

Since 2005, former students have been required to sit the IELTS test as part of their permanent residence application, and the base English proficiency requirement has continued to be raised. In September 2007, the minimum English requirement was set at IELTS 5 in each component for applicants with trade occupations, and IELTS 6 for all other occupations (Birrell & Perry, 2009). In addition, former students were no longer entitled to claim points for

the MODL unless they had at least one year's work experience in their nominated occupation (Birrell & Perry, 2009).

In line with priority processing which was introduced in 2009, former students, like other skilled migration applicants, were obliged to obtain employer sponsorship if they wished to receive a quick and desirable application outcome. The Job Ready Program was also introduced for onshore skilled migration applicants with an Australian trade or associate qualification. Before applying for permanent residence, the completion of a four-step employment-based skills assessment programme was required, over a period of up to 18 months (DIISRTE, n.d.). This programme was designed to ensure that former students who had completed an Australian trade qualification also possessed the skills and readiness to participate in the labour market in their nominated occupation (DIAC, 2009).

In 2010, more changes to the GSM programme were announced, and a new points test introduced. These changes further prioritised sponsored skilled migration pathways, raised the bar for English language competence, and revoked the MODL (Hawthorne, 2011). With the removal of the MODL, migration points were also detached from occupation; former students therefore would no longer receive points on the basis of completing a migration occupation course. Additionally, overseas qualifications were formally recognised and postgraduate qualifications were given recognition equal to a Bachelor's degree. As a result of this measure, the completion of an Australian qualification gained no more advantage than five bonus points (DIAC, 2010d).

The changes to the GSM programme significantly narrowed the study-migration pathway. The absolute advantage that former students previously enjoyed in the selection of skilled migrants has been progressively diminished. Subsequently, this tightening has made it increasingly difficult for former students to obtain permanent residence in Australia through the policy setting linking study and migration.

4.3.3 Impacts and implications of the policy changes

Over the past decade, the development of Australia's international education industry had been largely driven by the study-migration pathway and international students seeking permanent residence in Australia (Hawthorne, 2011). This dependence has made the international education industry, particularly the VET sector, vulnerable to any changes to policy that have the potential to hinder international students' transition to permanent residence (Ahern, 2009).

When the government began to tighten the skilled migration requirements in an attempt to decouple international education and skilled migration, many education providers foresaw that these policy changes would undermine Australia's attractiveness as a study destination (Dunlevy, 2010; Murphy, 2010). Moreover, the introduction of the priority processing system immediately affected independent (unsponsored) skilled migration applicants, who were told to expect delays of three years or longer in the process of attaining permanent residence; in the worst-case scenario, there may be no prospect of their being selected as a skilled migrant (DIAC, 2010a).

After the MODL was revoked in early 2010, many overseas students who were undertaking relevant education courses, and planning to apply for permanent residence on completion, became ineligible for skilled migration (Sainsbury & Trounson, 2010). The series of major policy changes made between 2008 and 2010 had transformed the study-migration pathway from a direct route to a bumpy ride, and reduced Australian study experience to a much less significant factor in skilled migration selection.

The rapidity and magnitude of these policy changes gave rise to much uncertainty among international students, as well as criticism from within the international education industry. Tony Pollock, the former IDP⁴⁰ chief executive, commented that these policy changes did not allow sufficient time for both education providers and overseas students to adjust (quoted by Trounson, 2010). Alongside the policy changes, some domestic and global circumstances compounded the trepidation now felt in an unsettled Australian international education

⁴⁰ International Development Program Education Australia (IDP) regularly hosts Australian education fairs around the world, places international students into the Australian education system across all sectors, and provides orientation services for newly-arrived international students.

industry. These circumstances included media reports about assaults on Indian students⁴¹ in Australian cities, the collapse of private training colleges, the rising Australian dollar, the economic downturn, and increasing competition from other study destinations (Phillimore & Koshy, 2010).

In 2009/10, a sharp fall in international student numbers was recorded across all education sectors except higher education. In particular, the VET sector reported a 12.2 percent drop in the number of international students (AEI, 2011). The decline was interpreted by the government as a decrease in non-genuine students commencing study in Australia (M. Knight, 2011b) but was considered by many stakeholders in the industry, to be a direct result of the changes made to the policy setting linking study and migration.

4.3.4 Previous research on the relationship between international education, skilled migration and government policy

In Australia, many important studies have been undertaken in the research subject. Australia's study-migration pathway has undergone many changes since it was first established in the late 1990s. For this reason, the government has continued to undertake and/or commission reviews or reports on the relevant immigration policy settings. Some critical reviews in relation to international education and skilled migration included the General Skilled Migration Categories (Birrell et al., 2006), the Migration Occupations in Demand List (DEEWR & DIAC, 2009a, 2009b), the Education Services for Overseas Students (ESOS) Act 2000 (the 'Baird Review') (Baird, 2009, 2010), the General Skilled Migration Points Test (DIAC, 2010c, 2010f), and the Knight Review Changes to the Student Visa Program (M. Knight, 2011a, 2011b).

In addition, many independent scholars and researchers have also contributed to the understanding of the research subject. After spending an extended period observing and talking to Indian students studying in Australia, Baas examined Indian students' interest in obtaining permanent residence (Baas, 2005, 2006b, 2007). He suggested that many Indian

⁴¹ Reported attacks on Indian students took place in Sydney and Melbourne in 2008/09. At least 14 reports of assaults on Indian students were published in the Australian media in May/June 2009.

students were motivated to undertake tertiary study in Australia, not by the high quality of education offered, but in the hope of obtaining permanent residence after study (Baas, 2006a, 2006b, 2007). According to Baas, Indian students were in Australia for the purpose of immigration, and study merely a means of achieving that aim (Baas, 2007). Baas also suggested that the international education industry was aware of the migration intent of international students, and had been using the study-migration pathway as a major marketing strategy to recruit students overseas. Baas's (2007) assertion that "the migration industry has hijacked the education industry" (p. 58) refers specifically to the consequences of international students' migration hopes and intentions.

As one of the leading scholars of global skilled migration and international student movement, Hawthorne (2008b) recognised the attractions of international students as highly skilled migrants, and of the particular target of those who are characteristically young, have advanced English language ability, have already completed recognised educational qualifications, have local professional training experience, and who would be well acculturated to the community (2005). Hawthorne reviewed Australia's study-migration pathway and its effectiveness intensively (2010a), and in comparison with other study destinations such as Canada (2008c) and New Zealand (2011). When reporting on the labour market outcomes for international student migrants, Hawthorne argued that while former students may not perform much better than first-time skilled migrants arriving from offshore, they were certainly advantaged in their labour market participation by Australian study experience. On this basis, Hawthorne contends that international students should continue to be a significant source of human capital to Australia (Hawthorne, 2008b, 2010a).

Birrell is a controversial figure in the Australian immigration debate who has made critical observations of the development of policies linking study and migration under the administrations of the Howard Coalition government and the Rudd Labor government (Birrell, 1999, 2001, 2003; Birrell & Healy, 2010; Birrell & Perry, 2009). He extensively reviewed the effects of that policy setting on the Australian labour market, immigration system, and international education industry (Birrell, 2003). He and his colleagues (Birrell, 2006; Birrell & Healy, 2008b; Birrell et al., 2007, 2009) questioned the effectiveness of the study-migration pathway by examining the labour market outcomes and English language skills of former

students. They criticised the MODL for its proneness to exploitation by migration-driven overseas students, and by private education providers who provided poorly trained international students with a pathway to permanent residence (Birrell & Healy, 2010; Birrell et al., 2009). Birrell also drew attention to the dysfunction of the GSM programme, which he believed was a direct result of the study-migration pathway. Many of Birrell's criticisms have created media headlines and influenced the public debate about skilled migration policy.

Contrary to those scholars who have characterised migration-driven international students as manipulative and devious PR chasers who otherwise have no real interest in study, Mares (2011a) argued that the majority of overseas students were "simply playing the game by the rules drawn up by the Australian government" (para. 3). Similarly, Robertson (2010) contended that it was the immigration policies that had encouraged overseas students to apply for permanent residence. Mares (2011b) also criticised the introduction of priority processing, which he argued might make sense from a national interest perspective, however lacks a procedural fairness to skilled migration applicants. His concern here was that the status of independent skilled migration applicants may remain 'permanently temporary' for a long and unspecified time until their applications were eventually finalised.

4.4 Two-step migration⁴² in New Zealand

New Zealand had suffered outflows of its population from as early as the mid-1960s, with Australia gaining increasing significance as the immigration destination under the Trans-Tasman Travel Arrangement (Bedford, 2003). Because of this, for many years already New Zealand has allowed people, including foreign skilled workers and private overseas students, to change legally from temporary to permanent status.

However, as a general rule, New Zealand's approach towards student migration was to require Colombo Plan-sponsored students to return to their home countries as soon as they completed their studies; offering education was not intended to cultivate future immigrants to New Zealand but to enable students to assist the economic, social and educational

⁴² Two-step migration in this study means the transition from temporary to permanent status.

development of their home countries. Therefore, permanent residence applications from sponsored students, unless they had married a New Zealand permanent resident or citizen, were not considered under normal immigration policy (Tarling, 2004).

On the other hand, private overseas students were permitted to apply for permanent residence, if they possessed a qualification that was in urgent demand in New Zealand, or if they could secure a job offer in their field of study (Tarling, 2004). Nevertheless, the transition of overseas students to permanent residence was not particularly encouraged (Bedford, 2006). Since New Zealand greatly favoured applicants who were already working or had worked in New Zealand in their occupations, most overseas students were disadvantaged in the skilled migration selection because securing a job offer immediately after graduating was extremely difficult (Shachar, 2006; Wilkinson et al., 2010). The inability to find suitable skilled employment had been one of the main reasons why overseas students were forced to return home after study, even though they might have preferred to settle in New Zealand (Lee & Kim, 2010).

This situation changed after New Zealand began to strengthen its study-to-work and residence options for international students in 1998 (Coulon & Davis, 2008). It was thought that through their education and time spent in New Zealand, international students would have familiarised themselves with the local community, which could greatly advantage their establishment as skilled migrants who would make an immediate contribution to local economy (Shachar, 2006; Tolley, 2009). Therefore, from July 1999, if former students decided to apply for permanent residence under the then General Skills Category (GSC), they were given one extra point⁴³ for completing a New Zealand qualification.

This extra point was doubled to two in November 1999, and in addition, even with the skilled migration programme still giving priority to applicants with a job offer or current skilled employment in New Zealand, the usual two years' work experience requirement was waived if the applicant had received an eligible qualification from a New Zealand education institution (Wilkinson et al., 2010). This significantly improved the chances for overseas students seeking to transition to permanent residence. When the work-to-residence policy was introduced in

⁴³ The pass mark was 24 in 1999.

2002, New Zealand's two-step migration began to form as the pathway to permanent residence.

After the SMC programme was introduced in 2003, facilitating the onshore skilled migration of foreign workers and overseas students had become "a critically important part of New Zealand's contemporary immigration policy" (Bedford et al., 2010, p. 23). A pivotal point was that the SMC programme did not necessitate a job offer or current skilled employment in New Zealand, if the skilled migration applicant could still attain 140 points or more (out of a possible 200 or more) (Bedford, 2006).

The SMC programme provided certain advantages for former students in their transition to permanent residence (Bedford et al., 2010; Coulon & Davis, 2008). Firstly, former students with New Zealand qualifications would be awarded a range of bonus points. Secondly, they were exempt from having a job offer or current employment if they had completed a PhD or Master's degree in New Zealand. The same favourable treatment applied to students who completed two years' full-time study in areas of absolute skill shortage or identified future growth (Wilkinson et al., 2010). Under the points system, talented international students had realisable potential to secure 140 points or above to qualify for permanent residence (Bedford, 2006). For those who were unable to reach a total of 140 points, the standard pattern of their transition to permanent residence was via the 'study to work' then 'work to residence' route (Hawthorne, 2011).

In July 2005, the Graduate Job Search Permit⁴⁴ was introduced to enable former students to stay on in New Zealand for six months after study and possibly transition to work status (Bedford, 2006). This temporary work permit allows former students to remain in New Zealand and work for any employer in any field. However, if they intend to apply for permanent residence by the end of their extended stay, they must accumulate work experience in their field of study to improve their likelihood of obtaining permanent residence. International students who have completed a New Zealand qualification that qualifies for

⁴⁴ The Graduate Job Search Permit is equivalent to Australia's Skilled Graduate Visa (subclass 485), which was introduced in Australia in September 2007.

skilled migration are eligible to apply for this permit without having a job offer (AEI, 2005; Department of Labour, 2006b; Swain, 2005).

When this temporary work visa expires, former students can continue to stay in New Zealand if they have found skilled employment pertinent to their field of study (Wilkinson et al., 2010). They can extend their stay either by applying for permanent residence independently if they meet the skilled migration selection criteria, or obtaining an employer-sponsored work visa.⁴⁵ In this way former students, although not immediately qualifying for skilled migration, can still transition to permanent residence once they accumulate relevant work experience in New Zealand (Bedford et al., 2010).

From July 2007, New Zealand study experience would be awarded further bonus points, and in addition, the points awarded would be distinguished by levels and areas of qualification (Verbik & Lasanowski, 2007). Further, the duration of the Graduate Job Search Permit was extended from six to 12 months in November 2007, allowing former students a more realistic timeframe in which to secure a suitable job in the labour market (Wilkinson et al., 2010). This change better aligned New Zealand with Australia in terms of their study-to-work transition schemes. The equivalent policy settings of Australia and New Zealand can be compared in Table 4.2.

⁴⁵ The employer sponsored work visa is similar to Australia's Business Long Stay Visa (subclass 457).

Table 4.2 *Study to work transition schemes*

	Australia	New Zealand
Name	Skilled Graduate Visa	Graduate Job Search Permit
Commence	September 2007	July 2005 (November 2007)
Duration	18 months	6 months (extended to 12 months)
Eligibility	<p>Students who have completed 2 years of academic study.</p> <p>Must be lodged within 6 months of the date of course completion.</p> <p>No job offer is required but students must indicate a 'nominated occupation' they plan to take up employment in.</p> <p>Can work for any employer or change employer at any time.</p>	<p>Students who have completed a qualification that would qualify for SMC points.</p> <p>Must apply within 3 months of the end date of their student visa.</p> <p>No job offer is required.</p> <p>Can work for any employer or change employer at any time.</p>

Note. Adapted from *Immigration policy benchmarking: implications for competitiveness of New Zealand's export education sector* (p. 38), by A. Coulon and N. Davis, 2008, Wellington: Education New Zealand.

Under New Zealand's study-to-work policy, former students are also eligible to apply for a Graduate Work Visa for at least two years. Applicants for this type of visa need to have completed a minimum three year course, or a New Zealand qualification that fulfils the requirement for skilled migration, and they must have a job offer in their field of study (Merwood, 2007). The duration of the Graduate Work Visa can be extended to three years for students with majors such as architecture and accounting, given that three years' practical experience is mandatory to qualify for association membership or registration (Wilkinson et al., 2010). When former students have been working in New Zealand on this type of visa for two/three years, they can then apply for permanent residence under the work-to-residence policy. These available pathways are intended to show prospective students that transition to permanent residence is possible, if they possess "the skills and talents New Zealand needs" (Wilkinson et al., 2010, p. 33). The equivalent policy settings of Australia and New Zealand can be compared in Table 4.3.

Table 4.3 *Temporary work visa, potential pathway to permanent residence*

Australia	New Zealand
Business Long Stay Visa (Subclass 457)	Graduate Work Visa
Not necessary to have completed an Australian qualification	Must have completed a New Zealand course that has a minimum completion time of 3 years and would qualify for points under the SMC
Must be sponsored by an approved business to work in the nominated occupation	Must hold a job offer in the field of study
	Must apply within 3 months of the end date of the student permit for that qualification or hold a graduate job search work permit (6 months if completing a doctoral qualification)
Granted for up to 4 years	Granted for 2 years for the applicant to obtain practical work experience in the field of study, or 3 years if the applicant is working towards membership or registration with a New Zealand professional association that requires more than 2 years' practical experience
Can only work for the sponsoring employer in the nominated role, need to change visa when the role is significantly changed or when changing employers	Can only work for one particular employer, need to change visa when changing employer

Note. New Zealand data adapted from *Life after study - International students' settlement experiences in New Zealand* (p. 5), by A. Wilkinson, P. Merwood, A. M. Masgoret, 2010, Wellington: Department of Labour.

As shown in Figure 4.2, there are a number of two-step migration pathways available to overseas students who wish to become permanent residents in New Zealand. The most common pathway is to transition from 'study to work' then 'work to residence', since gaining permanent residence immediately after graduating had become much more difficult by 2009 (Wilkinson et al., 2010). Overall, it would take between five and seven years for overseas students to eventually transition to permanent residence in New Zealand (Department of Labour, 2009).

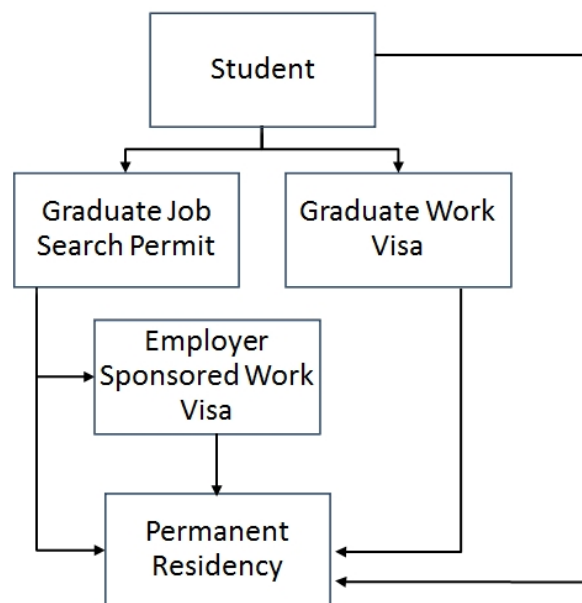


Figure 4.2. Student pathways to permanent residence in New Zealand

4.4.1 Opportunities and challenges associated with the policy setting

Although New Zealand's SMC programme places substantial emphasis on applicants having a job offer or skilled employment, the 'study-work-residency' transition pathways, and the bonus points former students receive in the points system, advantage them somewhat in the skilled migration selection (Coulon & Davis, 2008). Consequently, over the past decade New Zealand has seen a growing number of international students applying for and obtaining permanent residence after studying there.

However, the prospects of obtaining permanent residence remain difficult for overseas students, if they cannot secure a job offer or skilled employment in their field of study (Wasem & Haddal, 2007). Evidence indicates that overall, one in five international students had successfully transitioned to permanent residence through the two-step migration process in the past (Department of Labour, 2010). In fact, former students represent about 13 percent⁴⁶ of successful applicants in New Zealand's SMC programme (N. Davis, Coulon, & Carlaw, 2010; Wilkinson et al., 2010).

⁴⁶ This is a much smaller proportion than in Australia, where at one point nearly 50 percent of successful skilled migrants were former students.

In addition, during the period from the introduction of Graduate Job Search Permit in July 2005 until the end of 2009, over 28,000 former students were issued this type of visa (Wilkinson et al., 2010). After accumulating relevant work experience, students in this category may subsequently decide to settle in New Zealand permanently, and as a result, the proportion of former students transitioning to permanent residence after study was anticipated to increase.

In comparison with Australia, where many international students have reportedly been attracted to study in Australia by the possibility of migration, New Zealand does not demonstrate the impact of its policy setting on international student enrolments through corresponding quantitative evidence (Coulon & Davis, 2008). However, it cannot be denied that the possibility of obtaining permanent residence has also attracted a considerable number of international students to study in New Zealand. According to a study of the settlement experiences of international students there, over 37 percent of those who subsequently transitioned to permanent residence after study had the intention to do so from the beginning (Wilkinson et al., 2010).

Policy makers and scholars in New Zealand have also recognised certain policy outcomes in linking study and migration which are similar to those in the Australian setting. The following sub-sections describe three consequences associated with the implementation of the two-step migration pathways, namely, the dominance of the PTE sector, labour market outcomes for former students, and the influence of Australia's policy changes.

4.4.1.1 The dominance of the PTE sector

While the points system does not have the intention of prioritising, in practice it somewhat favours skilled migration applicants from countries where English is either native or commonly used as a second language, and whose occupation is in high demand in New Zealand (Bedford et al., 2010). Since Asian students account for 75 percent of international students in New Zealand, it is not surprising that many of them are motivated to seek to compensate their inherent weakness in English language ability by studying courses relevant to occupations in high demand which will enhance their likelihood of being selected as skilled migrants.

As previously indicated in section 2.3.3.2, private education providers have always attracted the majority of international student enrolments in New Zealand. Furthermore, a major literature review suggests that international students studying in private education settings show stronger motivation overall in obtaining permanent residence than those attending universities. According to research commissioned in 2010 by the Department of Labour, about 51 percent of students completing a vocational qualification reported that they were doing so to help them obtain permanent residence in New Zealand (Wilkinson et al., 2010). This inclination is also reflected in the enrolment preferences of international students in the PTE sectors.

4.4.1.2 Labour market participation and outcomes

Evidence suggests that positive labour market participation and high employment levels have been achieved by former students who have transitioned to permanent residence in New Zealand. The employment participation achieved by selected skilled migrants was strong, with around 93 percent of former students reportedly employed or self-employed in New Zealand at six months' post-migration (Hawthorne, 2011). These outcomes may be attributable in the main to the skilled employment requirement of the SMC programme, which heavily favours applicants with a job offer or current employment in New Zealand.

At 18 months' post-migration, 68 percent of former students were employed in full-time positions. Of these, 62 percent held a skilled job, while 31 percent worked in professional occupations (Wilkinson et al., 2010). These figures show that having completed their study in New Zealand has certainly advantaged former students and helped them to achieve positive and impressive labour market outcomes.

4.4.1.3 The influence from Australia

As suggested by the push-pull factors, New Zealand's development as either a study destination or an immigration destination has not escaped influence from Australia. For this reason, New Zealand has been constantly benchmarking its progress against Australia's in terms of policy development in international education and skilled migration.

Following the negative publicity that international education in Australia suffered after the reported assaults on Indian students in 2008/09, New Zealand distanced itself from Australia

in its recruitment of students overseas, and particularly in India. For instance, Robert Stevens, CEO of Education New Zealand, was quoted in the media saying “we want to...remind education agents in India that New Zealand is a different country from Australia - in the nicest possible way” (*We're different - New Zealand tells Indian students*, 2009). By distinguishing itself from Australia as a study destination, New Zealand was hoping to benefit from an inflow of international students diverted from Australia's market share in the international education market (Tan, 2009).

Similarly, after Australia began to strengthen its skilled migration requirements and rectify its study-migration pathway in 2008, New Zealand further consolidated its two-step migration pathways to attract and retain talented international students as skilled migrants (Hawthorne, 2011).

4.4.2 Shaping of the two-step migration

As an immigration-emigration country, New Zealand has relied on a proactive immigration policy to recruit skilled foreign workers and immigrants to replace the flow of emigrants (Bedford, 2006). Therefore, New Zealand's two-step migration has remained relatively stable over the past decade; minor changes were targeted at retaining higher-level and better qualified skilled migrants.

In February 2008, policy changes were made to remove migration incentives away from shorter-term and lower level qualifications, and to raise the threshold for recognised New Zealand qualifications. The SMC programme thereafter no longer recognised certificate qualifications (level 3), and would only accept National Certificates (level 4) if they pertained to a skilled occupation where a long-term shortage was identified (N. Davis et al., 2010; Wilkinson et al., 2010). Throughout 2008, although concern about the impact of the economic slowdown on the local labour market was gradually growing, there was no immediate pressure for the government to significantly change its skilled migration policy and practices. That confidence may, in part, have been attributable to the Free Trade Agreement between New Zealand and China that was signed on 7 April, and came into force on 1 October 2008. As the first developed country to negotiate agreed preferential access to China's economy, the

government hoped to capitalise on that potential to deliver significant gains to New Zealand export industries, including the export education industry (Ministry of Foreign Affairs and Trade, 2013).

After the Key National government took office in November 2008, it made further policy changes in accordance with the earlier trend of encouraging international students to undertake education at a higher level. These changes became effective from July 2011, and meant that: 1) former students wishing to claim bonus points for having a recognised New Zealand qualification must have completed at least a Bachelor's degree (level 7) and have studied in New Zealand for a minimum of two academic years; 2) former students with certificate or diploma qualifications (level 4-6) were no longer exempt from demonstrating their English competency and must achieve the required IELTS score; 3) former students completing New Zealand qualifications below level 4 were no longer eligible to apply for the Graduate Job Search Visa after 2012; and 4) full work rights were only available to partners of international students who were studying postgraduate qualifications or courses on the LTSSL at the Bachelor level and above (Immigration New Zealand, 2011c).

4.4.3 Impacts and implications of the policy changes

Since the beginning of the twenty-first century, the possibility of obtaining permanent residence has been one important factor in the attraction of international students to study in New Zealand. Therefore, if any policy changes were to hinder their transition to permanent residence, the demand for international education in New Zealand may reduce or disappear in a very short period of time. This would potentially be a profound blow to New Zealand's economy, since export education had been generating considerable revenues.

One example of the impact of the policy changes was on international student enrolments, evident in a rapid decline in the number of Chinese students applying to study in New Zealand after the English language requirement for skilled migration was substantially raised in 2002 (stated in section 2.3.1) (Mills et al., 2005). However, since 2003, New Zealand has not seen any policy changes that have dramatically hindered international students' transition to

permanent residence. The essential determinant of skilled migration selection has always been the ability of former students to secure a job offer or skilled employment in New Zealand.

Nevertheless, in consequence of the government's removal of migration incentives from lower level education courses, since late 2008 it has become increasingly difficult for overseas students with a certificate or diploma qualification to transition to permanent residence, and impossible if they do not have a job offer or skilled employment in New Zealand. The policy changes did not affect international students legitimately undertaking education at the Bachelor level or above, or courses pertinent to the LTSSL. However, the combined effects of the economic slowdown and an increasing unemployment rate have made it more difficult overall for international students to obtain skilled employment and work experience in New Zealand. The stagnant employment market appeared to have a more profound effect on international students' transition to permanent residence than the policy changes (Hawthorne, 2011).

4.4.4 Previous research on the link between international education and student migration

In comparison with Australia, there are far fewer New Zealand research findings in the field of export education generally, and little research on the relationship between international education, student migration and government policy has been undertaken. When reporting on the available literature on the New Zealand export education in 2004, New Zealand Institute of Economic Research (NZIER) found only about 350 articles related to the export education sector in New Zealand. Moreover, most of the research undertaken was "fairly piecemeal, focused on individual institutions or aspects of the industry, rather than at an industry-wide level" (Ballingall & Smith, 2004, p. 27).

However, a growing body of studies has been published since 2004 (Duncan & Cox, 2006). The majority of research has been commissioned by a number of agencies, including the Ministry of Education, New Zealand International Education Marketing Network (NZIEMN),⁴⁷ Asia 2000 Foundation, and Education New Zealand. A report published in 2005

⁴⁷ NZIEMN comprises Trade NZ, Education NZ, Tourism NZ, the Ministry of Education, and a wide variety of education providers and tourism operators.

examined the impact of immigration policy and practices on New Zealand's competitiveness and subsequent international student enrolments (Mills et al., 2005). Another two reports, published in 2008 and 2010 respectively, audited New Zealand's immigration policy setting in a comparison with six other English-speaking competitor countries, namely Australia, the US, the UK, Scotland, Ireland and Canada (Coulon & Davis, 2008; N. Davis et al., 2010).

Major research on the connection between international education and student migration has been undertaken by researchers in the Department of Labour. A 2007 report on international students studying and staying on in New Zealand provided an extensive review of international students' study pathways and their transition to permanent residence (Merwood, 2007). Another report on international students' settlement experiences in New Zealand was published in 2010. It looked at the motivations of international students for choosing New Zealand, their transitional pathways to work and permanent residence, and their employment outcomes (Wilkinson et al., 2010). Another 2011 report, commissioned by the Department of Labour (New Zealand), and partly funded by the Department of Immigration and Citizenship (Australia), was undertaken by Hawthorne, from the University of Melbourne. Hawthorne (2011) compared Australia and New Zealand in terms of each country's skilled migration policy developments from 2004/05 to 2008/09 and the employment outcomes of their skilled migrants in the early settlement period.

By contrast, there was little academic research on the connection between international education and student migration in New Zealand. In one of his articles in 2004, Butcher used the term 'educational immigration' to denote a complex linkage between education and immigration. Apart from the notion promulgated by Belich (2001) that people were gaining permanent residence in New Zealand with the intention of bypassing the full costs of education imposed on them or their independent children, Butcher noted an increase in the numbers of international students who first arrived in New Zealand to study and who subsequently applied for and obtained permanent residence.

One of the leading scholars of New Zealand immigration, Bedford, identified that sourcing skilled migrants from international students or foreign workers is critical to maintaining New Zealand's demographic and economic survival (Bedford, 2006). Bedford and his colleagues

examined the development of New Zealand's skilled migration policy and its pathways to permanent residence exclusively (Bedford, 2006; Bedford et al., 2010).

4.5 Conclusion

A brief review of the connection between international education and student migration was presented in the early part of this chapter. Although the United States and the United Kingdom have maintained a passive approach towards overseas students seeking permanent residence in their countries, Canada, Australia and New Zealand have designed respective policies that actively facilitate the skilled migration of international students.

Australia's study-migration pathway has greatly advantaged former students in the selection of skilled migrants. In the early 2000s, permanent residence was virtually guaranteed to international students who completed an eligible education/training course in Australia. As a result, the policy setting has produced a considerable representation of former students in skilled migration outcomes, and created a powerful incentive for prospective students to study in Australia. The policy setting also led to various unintended consequences which have obliged the government to strengthen its skilled migration policy and practices. Subsequent to the policy changes of 2008, there have been further impacts on Australia's international education industry.

By contrast, New Zealand's two-step migration gave former students significant potential to be selected as skilled migrants. However, their transition was still predominantly reliant on their ability to secure a job offer or skilled employment in New Zealand. This policy setting too attracted international students who had an intention to immigrate to New Zealand at a later stage, but there is no quantitative evidence that has demonstrated that this was a precise consequence of the policy setting. New Zealand's policy setting remained stable until 2008, when minor changes were made to remove migration incentives away from overseas students with lower levels of educational qualifications.

This chapter drew on the understanding derived from the existing literature and described the development of policies linking study and migration in Australia and New Zealand. A review

of the literature revealed that the existing understanding of the policy setting derives predominantly from the perspective of governments and academics in the mainstream, which has led to this research's attempt to examine the research subject from the perspective of selected stakeholders.

Part III Research Design

Chapter 5 Research Design

The three preceding chapters provided a comprehensive comparison of the development of international education and skilled migration in Australia and New Zealand, with particular reference to the pathways from study to permanent residency that both countries have offered since the late 1990s. The insights gained from these chapters led to the perception that most studies in this field have been largely based on the mainstream perspectives of governments and academics. This finding thereby determined the general direction taken by this research, which is to add to the extant knowledge by undertaking an interpretive approach to the research subject, from the perspectives of other, selected stakeholders.

The aim of this chapter is to apply the key components of Considine's policy system to examine the development of policies linking study and migration in Australia and New Zealand. In this way, the similarities and differences between the Australian and New Zealand policy environments⁴⁸ are not only identified, but also can be used to establish the groundwork for comprehending the experiences of the development of policies linking study and migration as reported by the research participants in each country. This chapter also documents each step of the research and the approach used to collect and analyse data in this study.

This chapter is divided into four sections. Section 5.1 recaps the focus of inquiry and the research questions. Section 5.2 elaborates Considine's policy system and deconstructs the relevant policy development into its constituent policy institutions, policy actors, political economy and policy culture. Section 5.3 details each research method and procedure. It explains how this research is triangulated by using two research methods and two groups of research participants to produce a comprehensive grasp of the relationship between international education, student migration and government policy. Section 5.4 provides a brief conclusion to the chapter.

⁴⁸ In this study, 'policy environment' is used to indicate the broader environment which includes social, economic and political influences on the policy-making process, while 'policy setting' refers to the particular policy on international education, skilled migration or the linking of study and migration.

5.1 Focus of inquiry

The connection between international education and student migration is not a new phenomenon, as evidence has shown that many international students have long viewed overseas study as a one-way ticket to migration (Baas, 2005; Yang, 2007). However, this connection had yielded little academic discussion in Australia and New Zealand until the policy link between international education and skilled migration began to form in the late 1990s. The equivalent policy settings are referred to in this study as Australia's study-migration pathway and New Zealand's two-step migration.

Originally from Taiwan, I was myself an international student studying in Japan from 1995 to 1998. While most Taiwanese students may have preferred the United States as their first choice of study destination, I went to Japan because I was sponsored financially to study by Interchange Association Japan (IAJ). By the end of my period of study, many of my friends had decided to stay on permanently, and I too considered seeking employment and remaining in Japan. This prompted my first recognition that skilled migration could be an attractive extension of international education. Later on, through my interactions with international students in New Zealand and Australia, I was often involved in their planning for the future and discussions related to the pursuit of permanent residence in the country where they had chosen to study. Such aspirations to seek permanent residence resonated with my own experience as an international student and I became interested in the idea of researching this particular phenomenon.

Commencing this research in 2008, I have noted that since the early 2000s a growing number of studies have been undertaken to examine the policy setting linking study and migration and its implications, more so in Australia than New Zealand. However, the majority of studies have viewed the research subject through academic and governmental lenses, by focusing on the increased number of international students in response to the incentive structures in the study-migration policy mix, or the labour market outcomes of overseas students as skilled migrants. There has been scant in-depth, qualitative investigation of the research subject. In addition, it has been very challenging to find academic literature that examines the research subject from the perspective of other stakeholders in the policy systems associated with international

education and skilled migration. Therefore, this research seeks to fill this gap by investigating the policy development from the perspective of selected policy actors, such as international students and education professionals.

The aim of this research is to understand the relationship between international education, student migration and government policy from the perspectives of policy actors, formed through their experiences with the development of policies linking study and migration in Australia and New Zealand. The two main questions that this study seeks to answer are 'how the development of policies linking study and migration in Australia and New Zealand compared from 1998 to 2010', and 'how the policy development impacted international students in their transition to permanent residence'. These research questions are answered throughout this thesis by inquiry into the following:

- (1) How had the policy settings linking study and migration in Australia and New Zealand developed? (Chapters 2-4)
- (2) Did the policy setting linking study and migration facilitate international students' decisions to study in their host country? How did international students respond to the policy setting linking study and migration? (Chapters 6 & 7)
- (3) How was the development of policies linking study and migration perceived by the research participants? What do they consider to be the factors contributing to the policy development? (Chapters 6 & 7)
- (4) How were the research participants impacted by the development of policies linking study and migration? What do they believe to be the impacts and implications of the policy development? (Chapters 6 & 7)

From my professional experience in the international education industry and personal interactions with international students, I have recognised that there is no single, or simple, delineation of the relationship between international education, student migration and government policy. Therefore, answers to the questions posed in this study will be found in the subjectivity of the research participants and located in the distinctive experience of each individual. Outside of any particular context, subjective responses may not be immediately accessible to others (Cheek, 2000). For example, when describing my research subject to Australian or New Zealand citizens, I am very often asked to explain what 'PR' stands for. While 'PR' is frequently used, and discussed by international students in their everyday lives, it can be a term that is completely foreign to people whose permanent residential status is a given or a birth right.

5.2 Applying Considine's policy system to analyse the policy-making process

Systems approach contributes significantly to policy analysis, wherein one part is often "evaluated in terms of its strength, weakness and impact with little regard for how the part is embedded in and interdependent with the whole programme or policy" (Patton, 2002, p. 121). In particular, the key components of Considine's policy system constitute a structure that is useful in examining how the policies linking study and migration developed in Australia and New Zealand.

5.2.1 Policy institutions

Drawing together international education and skilled migration, the policy setting linking study and migration involves a range of policy institutions, in the domains of foreign trade, education, employment, and immigration. Working together, the broad purposes of these institutions are to 1) support the country's economy, trade and foreign policy; 2) promote the country's education and training services overseas; 3) ensure an equitable and sustainable education sector; 4) provide a constant supply of human capital to support the needs of the labour market; and 5) achieve those goals without undermining the country's border security or the integrity of its immigration programme. Most of the time, however, the achievement of these purposes is fraught with upheaval, conflict or disorder.

The policy setting linking study and migration has inherent complexity because it intersects various policy institutions that have disparate and sometimes conflicting roles and responsibilities. Their different roles and responsibilities have the effect of isolating these institutions from each other, while at the same time connecting them closely in the policy setting linking study and migration. This highlights the coherence as well as the fragmentation in the policy-making process. In addition, some institutions appear to have greater and more direct access in influencing the policy setting than others in the policy system. As an example, Birrell et al. (2006) described the complexity of governance in Australia's policy setting linking study and migration in the 2006 GSM review:

DEST⁴⁹ generates education policy and strongly supports the public-private provider mix. DIMA issues student visas, engages with the ESOS process, and later 'reencounters' students as they apply for skilled migration. While the Department learns of problematic education sector issues, it has minimal power to address these (p. 98).

As shown in Figure 5.1, there is a major difference between Australia and New Zealand in terms of the alignment of immigration. In Australia, employment is aligned with education (Department of Education, Employment and Workplace Relations, DEEWR) to ensure that skilled workers are produced, while immigration (Department of Immigration and Citizenship, DIAC) somewhat independently administers all immigration-related legislation, policies and procedures. This may explain why DEEWR often looms larger and is generally more powerful in the policy system, while DIAC had been unable to contend until 2010, when a series of major policy changes were undertaken to tighten the study-migration pathway. This shift was described by Mares (2010) as a victory for DIAC over the mighty DEEWR.

By contrast, New Zealand designates immigration within the domain of employment (Department of Labour, DoL)⁵⁰ because traditionally, immigration and employment have collaborated to ensure the supply of skilled workers. While DoL plays a key role in improving the performance of the labour market and strengthening the economy, MoE (Ministry of Education) and INZ (Immigration New Zealand) collaborate to achieve this goal in their own right. The former cultivates skilled workers onshore, while the latter recruits talent from offshore. The dynamics of power between the institutions involved in the policy system appear to be more balanced in New Zealand than in Australia.

⁴⁹ Department of Education, Science and Training, transferred to DEEWR in 2009. In September 2013, the Department of Education and the Department of Employment were created out of DEEWR.

⁵⁰ DoL officially became part of the new Ministry of Business, Innovation and Employment (MBIE) since July 2012.

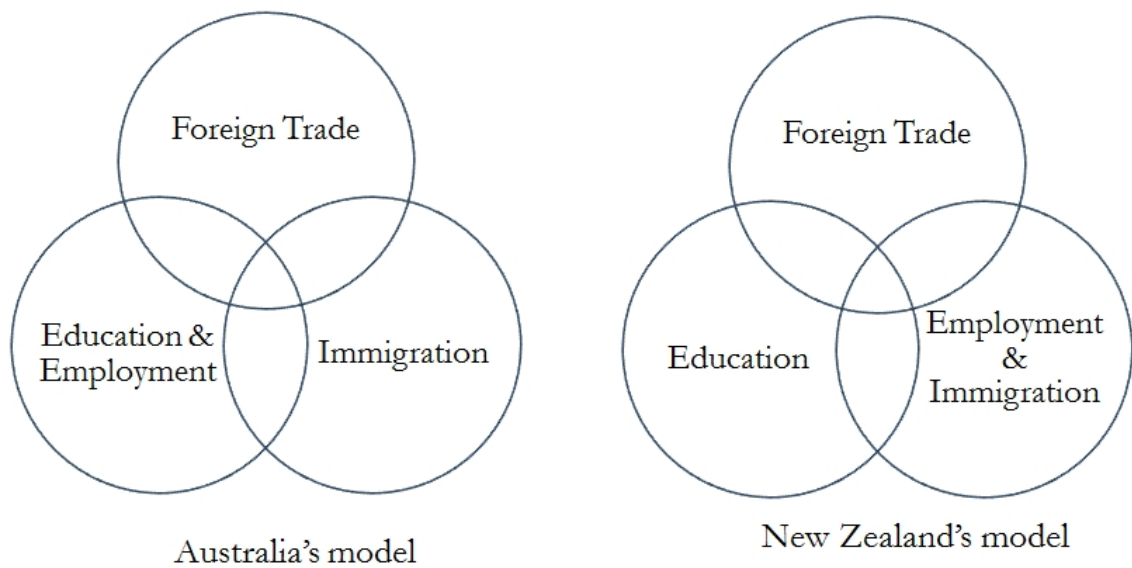


Figure 5.1. Comparisons of the policy setting linking study and migration

Australia and New Zealand have different types of immigration legislation, even though the common purpose is to regulate who may enter and remain in the country, and under what circumstance. Australia's immigration legislation details all the provisions relating to entry with a view to providing certainty and transparency for those seeking to enter the country for temporary or permanent residence. This means that when the Australian government wants to make changes to policy they need to change the legislation and this can be quite a time-consuming process. By contrast, other than few areas such as detention, removal and deportation, the Immigration Act in New Zealand is framework legislation. This gives the Minister of Immigration the powers to develop immigration policy and define the parameters for effective decision-making. Therefore, all the criteria and rules for the entry and stay of non-New Zealand citizens are determined by the executive government and included in operational policy. As a result, policies can be adjusted as required (Department of Labour, 2006a). Some features of the immigration legislation of Australia and New Zealand are compared in Table 5.1.

Table 5.1 *Immigration legislations*

New Zealand	Australia
Framework legislation	Legislation specifying policy
Policy can be amended without changing the legislation thus allowing for flexibility when responding to change	Provides certainty and transparency by specifying the details of the immigration programme. Less scope for appeal
Policy is set by the executive government, using Orders in Council ⁵¹	When changes in policy are made the legislation and regulations must be updated and the Immigration Act formally amended
The Minister of Immigration has the power to develop immigration policy and set the parameters for decision-making	Changes to the policy have to be built into amended legislation and passed through Parliament

Furthermore, New Zealand's smaller size and single-level government seems to render policy-making a less complicated process than it is in Australia. New Zealand has only one set of national policies relating to international education or skilled migration, while local authorities such as Regional and District Councils are obliged to follow national policies (Bedford, 2006). By contrast, Australia has respective roles and responsibilities set out between its different tiers of government. Birrell et al. (2006) delineates the role of State and Territory governments in the policy setting linking study and migration as follows:

State and Territory governments are other key players in international education...dealing with eligibility to enrol international students...oversight of course quality assurance by sector, and support for the labour market integration of skilled migrants (p. 98).

However, resolving inherent differences and roles and working together is not always easy for the policy institutions involved in the policy system, which can create potential difficulties in the policy-making process.

5.2.2 Policy actors

⁵¹ According to the New Zealand Cabinet Manual 2008, the Executive Council is the highest formal instrument of government. Through this institution the government collectively and formally advises the Governor-General. Action of the Governor-General in Council requires two elements: 1) a recommendation by a Minister or Ministers; and 2) the advice and consent of the Executive Council that the Governor-General in Council act in accordance with the Minister's recommendation. Apart from Acts of Parliament, Orders in Council are the main method by which the government implements decisions that require the force of law.

In this study, important policy actors involved in the development of international education, of skilled migration, and of the policy setting linking study and migration include, but are not limited to, international students, student associations, public and private education providers, academic and professional staff working for education providers and their respective professional organisations, education/migration agents, local businesses, and other stakeholders who benefit from having international students and skilled workers in the community. The motivations of these policy actors participating in the policy system will determine their perceptions, however divergent or contradictory, towards the same policy setting.

5.2.3 Political economy

After reviewing the relevant literature on international education and skilled migration, this research identifies that money, education opportunities, international students, skilled workers, jobs, and permanent resident status itself, can all be considered important resources in the context of international education, of skilled migration, and of the policy setting linking study and migration.

As discussed in Chapter 2, there are various rationales for host countries to provide educational services to overseas students. However, it cannot be denied that the economic impact of international education has become an increasingly important consideration. In New Zealand, international education is often referred to as 'export education'. This is a terminology used by government officials to indicate that international education is "a transaction across borders involving the provision of educational services in exchange for financial consideration" (Ministry of Education, 2001, p. 11).

At the end of July 2009, a *Four Corners* programme titled 'Holy Cash Cows' was aired on Australian ABC television, with the narrator intoning at the outset: "If there is one principle that governs the export of Australian education, it is now simply money" (ABC, 2009; Giannotis, 2009). On 1 July 2010, Australia transferred the responsibility of promoting and marketing international education overseas from AEI to the Australian Trade Commission (Austrade). As Australia's trade and investment development agency, the main responsibility of

Austrade is to support Australia's economic agenda (Austrade, 2009). These examples confirm the critical role played by considerations of revenue in both Australia's and New Zealand's engagement in the provision of international education.

It was evident in Chapter 3 that a country's skilled migration policy also has a strong economic focus. The selection of skilled migrants is based on how quickly, and to what extent would-be migrants can contribute to the country's economy. If those skilled migrants selected can provide early and positive labour market outcomes, the contribution from local taxpayers can thus be minimised (Birrell, 2003). Another aspect of political economy specific to New Zealand is the need to balance the departures of New Zealanders overseas with skilled migrants to support its population, net growth and economic development (Bedford, 2004; Hawthorne, 2011). This financial consideration also applies to the tightening of the study-migration pathway documented in Chapter 4, in which Australia and New Zealand have increasingly emphasised the selection of skilled migration applicants with local employment or employer sponsorship.

Political economy has also motivated policy actors in the policy system to behave in the ways that they do. In Chapter 2, in the light of their experiencing financial constraints in government budgetary support, many education institutions in Australia and New Zealand felt a strong incentive to recruit large numbers of overseas students in order to acquire additional funding. At the same time, many students from developing countries are attracted to undertake international education in advanced economies so they can access their labour markets, and thus have the possibility of gaining residence. In Chapter 3, when countries such as Australia and New Zealand began to relax their immigration policy settings to promote population growth and economic development, skilled individuals from less developed countries were quick to grasp the opportunity to acquire living conditions or employment potential not available at home. Similarly in Chapter 4, the policy setting linking study and migration greatly contributed, in both countries, to the rapid growth and dominance of the vocational education and training sector which had recognised a commercial opportunity in funnelling international students into skilled migration. Although sometimes new immigrants may be required to settle in less populated regional areas, people who are determined to embrace the lifestyle and

opportunities in Australia or New Zealand, and who want permanent residence may be sufficiently motivated to do so, at least in the meantime.

5.2.4 Policy culture

With respect to new immigrants, Australia and New Zealand had traditionally preferred those of British and Irish descent and actively restricted others. It was believed that people from Asia particularly did not integrate well with these countries' predominantly European culture and society (Meredith & Dyster, 1999). This controversial and much disputed immigration approach has, at least on paper, disappeared in the wake of growing numbers of overseas students and skilled workers arriving in Australia and New Zealand. However, given that English language proficiency is still the most critical determining factor in the selection of skilled migrants in both countries, their skilled migration programmes still very much favour applicants from backgrounds where English is either native or a commonly used second language.

Although a critical material consideration in the policy setting linking study and migration has been the generation of economic revenue, there are other material considerations, arising from the policy culture, that are perceived to detract from this benefit. For example, as more and more foreign nationals were given opportunities to live and work in Australia, public concern grew about issues such as population growth and density in the larger capital cities. Furthermore, pollution, congestion, inadequate infrastructure, deteriorating living standards, and environmental problems were also claimed to result from immigration. The biggest concern, however, was the link in the common perception between immigration and unemployment (J. Collins, 2004).

After the impacts of the global financial crisis were felt in 2008/09, policy culture promptly crystallised itself in Australia's skilled migration policy, in a move to protect the domestic workforce and compensate for any potential job losses (Birrell & Perry, 2009). Similarly, in New Zealand, although the need to recruit skilled migrants remained, the labour market test was frequently conducted to ensure that New Zealand permanent residents and citizens could fill employment vacancies before more foreign workers were accepted (Bird, 2008). Reaction in

the policy culture is captured in the example of an incident in which six foreign workers managed to keep their jobs, while 28 of their New Zealander colleagues were made redundant in 2009 (A. Kumar, 2009); INZ was embroiled and had to reaffirm the government's priority of protecting citizens and ensuring their employment before foreign workers', especially in a time of economic slowdown and growing unemployment (New Zealand Government, 2009).

There are also non-material considerations that may grow in importance with changes in the policy environment. The following example offers a striking illustration of the breadth of the policy environment, as well the influence of the policy cultures of both home and host countries. When a number of assaults on Indian students occurred in Melbourne and Sydney in 2008/09, extensive media coverage ensued, and the publicity that the crimes received in India convinced many there that these crimes were racially motivated (Valentine, 2010). The damage to Australia's reputation as a safe country in which to study was evidenced in the subsequent reduction in enrolments of Indian students in Australian educational institutions (Singh, 2010; Ziguras, 2009). Concerned that this negative coverage might further dampen the demand for Australia's international education (Spolc & Lee, 2009), the Australian government had to undertake a number of remedial measures to redeem its reputation as a study destination of choice (Ziguras, 2009). At the same time, New Zealand sought to intentionally distance itself from Australia in its recruitment of international students by emphasising the differences in the two societies. The response of prospective Indian students, and their parents, to concerns over student safety, human rights and racism, proved a powerful influence in the policy environment at the time that subsequently affected the policies relating to international students in both Australia and New Zealand.

The influence of policy culture can be significant, and subject to impacts from the policy environment in ways that may not have been anticipated. While it may often be difficult to locate the precise parameters of policy culture, an awareness of its role is essential to a comprehensive understanding of the policy-making process.

5.3 Research methods and procedures

Most research in the field of international education has used a quantitative approach. As a positivist approach, quantitative research often involves a large number of research participants, statistics and measurements. Research findings derived from a quantitative approach are typically used for generalising or making claims about the wider population (Creswell, 2003). A major shortcoming of a quantitative approach, however, is that it cannot thoroughly describe the significant contributory experiences or subjective reflections of research participants. Because of this, Quade (1969) claimed that the quantitative approach was inadequate to the task of examining the policy-making process:

Quantitative scientific analysis admittedly had a place in engineering, and in science itself, but for determining decisions and policy in the world of affairs, it has a very limited value; that world would continue to be governed by tradition, judgement, intuition, and experience (p. 1).

Given the nature of this study, a qualitative approach is therefore more appropriate to its aim of understanding the relationship between international education, student migration and government policy from the perspective of policy actors. A qualitative approach requires that the researcher maintains a personal, intensive and continuous relationship with research participants (Creswell, 2003). This type of relationship assists the researcher in examining more closely the information elicited from the personal experiences that research participants are willing to share (Marshall & Rossman, 2006). Furthermore, to understand the research participants' reflections on the policy setting linking study and migration, and experiences with the development of policies that linked international education and skilled migration, an interpretive approach provides insights into "the complex world of lived experience from the point of view of those who live it" (Schwandt, 1994, p. 118).

To achieve a comprehensive grasp of the research subject, this research uses document analysis to gather data and establish key understandings of the policy link between international education and skilled migration. While the document analysis provides detailed perspectives of the policy setting linking study and migration from governmental and academic sources, the primary research method of conducting face-to-face semi-structured interviews reveals the research participants' experiences of the development of policies linking study and migration. While each research method produces its own segmental and partial perception, in conjunction

the two approaches accomplish a more complete understanding of the development of policies linking study and migration.

5.3.1 Document analysis

In this study, documents are an important source of data for understanding the policy systems associated with international education and skilled migration, and offer ideas about the policy setting linking study and migration. Documents have been collected and examined in this study for four purposes: 1) to initiate the research, including the formation of the research concept, design and direction; 2) to develop key understandings about the research subject and identify gaps in the existing literature; 3) to provide a source of data in its own right; and 4) to evaluate and assess new or previously unknown data (Scott & Morrison, 2006, p. 75).

The scope of the document collection spans the period from early 1998, when the policy link between international education and skilled migration began to develop in Australia and New Zealand, to June 2011, six months after the fieldwork for this research was undertaken. To ensure an exhaustive collection of documents and also eliminate any potential bias in their selection, government policy and other documents that relate to the research subject were widely collected.

Most documents collected for this research are readily available and publically accessible. They include government publications and statistics, policy announcements, organisational and institutional reports, and journal and newspaper articles. The formats of the documents vary and encompass speeches, ministerial briefings, media releases, television programme scripts, electronic (internet-based) material, and transcripts of interviews undertaken for this research. Apart from the transcripts of interviews that were conducted and transcribed exclusively by me, the reliability and validity of collected documents were assessed before their incorporation into this research.

Collected documents were read thoroughly to develop an historical account of what led to the policy decision connecting international education with skilled migration; what approach the governments of Australia and New Zealand have taken to facilitate the skilled migration of

overseas students; and what has happened subsequently to shift the policy setting linking study and migration. Information derived from document analysis assisted with examining the development of policies linking study and migration in Australia and New Zealand to generate interview questions, and to provide a basis for making subsequent comparisons.

5.3.2 Ethical considerations

Before any potential research participant was approached, an ethics application was submitted to Auckland University of Technology Ethics Committee (AUTC) for consideration. The project was reviewed and approved at the AUTC meeting on 14 September 2009, subject to revised responses and clarifications. Full ethics approval was obtained on 22 October 2009.

Because of the capacity of online focus groups to collect a large amount of in-depth data within restrictions of timeframe and location, I initially planned to use two synchronous online focus groups to gather data from international students. My plan was to recruit a total of 40 student participants from Australia and New Zealand to participate in these online focus groups. Participants would be required to visit the online focus groups regularly and contribute to discussions over a two-week period.

The first participant for the online focus groups was recruited soon after the ethics approval was obtained in October 2009. However, the subsequent recruitment did not progress as smoothly as expected. In early 2010, I contacted several university international student centres and alumni associations in Brisbane and Auckland seeking potential referrals, but no student participants were forthcoming through this channel. My former manager at AUT's School of Business and Law sent out an email on my behalf inviting the participation of all enrolled postgraduate international students (both course work and research) in March 2010; only two student participants were recruited as a result. Furthermore, placing advertisements (printed and electronic) for potential interview participants in a number of popular Asian (Chinese/Japanese/Korean) magazines/newspapers/websites produced no response. By April 2010, only a total of 11 student participants (eight in New Zealand and three in Australia) had been recruited for the online focus groups.

It was suggested to me that the reason for the slow pace of recruitment of student participants could be the commitment of time that contributing to the online discussions might require of them. I was concerned that participants who had already agreed to participate in this study might eventually lose interest. Moreover, I was also conscious that the policy setting linking study and migration in Australia and New Zealand had somewhat shifted between June 2008, when I first started this research, and early 2010. In order to capture the experiences of international students and education professionals with policy development during that time, and before the policy settings changed too dramatically, the fieldwork had to begin.

After discussions with my supervisors, I decided to forego online focus groups and use face-to-face semi-structured interviews instead. The targeted number of student participants was subsequently reduced from 40 to 24 in consideration of the additional time necessitated by the linear research procedure of face-to-face semi-structured interviews.

Following this change in research method, a number of amendments were made to the initial ethics application. The AUTECH Ethics Coordinator was contacted for advice on necessary procedures. As advised by the Ethics Coordinator, a memo detailing relevant amendments, along with a revised information sheet was submitted. The amendments were ratified and a new ethics approval was received on 22 April 2010. Copies of the ethics approvals can be found in Appendix 6.

5.3.3 Face-to-face semi-structured interviews

After the idea of online focus groups was abandoned, face-to-face semi-structured interviews with open-ended questions were adopted as the primary method of data collection. As one of the most commonly used research methods, the interview format allows research participants to reveal viewpoints in an open environment and is particularly useful in establishing rapport between a researcher and participants (Bryman, 2004).

In particular, this research investigates whether the student participants were studying for the purpose of immigration, and whether they intended to apply for permanent residence in their host country. Because of the sensitivity that this matter might have involved, many students

may have felt some trepidation in discussing it with a stranger. For this reason, the semi-structured interview format was chosen for its greater flexibility and enabling me as the researcher to examine participants' responses by probing for further clarification when needed (Barriball & While, 1994). In addition, the face-to-face encounters would help the participants to feel confident in my integrity, and encourage them to express their viewpoints without reservation (Burns, 2000).

Interviews were conducted following the AUTECH guidelines and procedures. A signed consent form from each research participant was obtained. Some participants completed the consent form and returned it to me prior to their interview, while others completed the form in front of me at the end of the interview. By signing the consent form, the research participant agreed that he/she had been provided with adequate information and had been given an opportunity to ask questions about this research.

All research participants took part in the interviews willingly and agreed to my using the conversation that would be/had been recorded. They were also each made aware that interview records and completed consent forms would be archived in a locked facility, once the analysis was completed. The data would be stored for six years after the completion of the research before being destroyed.

The research participants who had previously agreed to participate in the online focus groups were contacted and informed of the change of research method. Their interest in taking part in the face-to-face interviews was sought and confirmed, and new consent forms were obtained from them for participating in the interviews. All research participants were also offered access to the research findings once the research was completed; out of the 40 research participants, a total of 17 requested a copy of the findings.

5.3.4 Research participants

This research used purposive sampling techniques including snowball sampling to recruit research participants. This sampling strategy establishes the strength of correspondence between research questions and participants (Devers & Frankel, 2000; Flick, 2006). To

examine the development of policies linking study and migration from the perspective of policy actors in the policy system, this research recruited a range of former and current self-funded international students, and education professionals working in different areas of the international education and migration industries to participate in the interviews. Owing to their particular roles and involvement in the policy system, they are considered key informants able to offer experiential insights into the relationship between international education, student migration and government policy.

5.3.4.1 Student participants

Not all international students are immediately eligible to apply for permanent residence after study in Australia or New Zealand; therefore student participants were deliberately restricted to those who were self-funded international students. Self-funded students finance their own international education or are financially supported by their family or relatives. They are not sponsored by any form of scholarship that would rightfully restrict them from applying for permanent residence in their host country immediately after study.

Overall, the target participants in the student group were international students who had previously studied or were studying in the higher/vocational education sector in Australia and tertiary education in New Zealand. Although English language study is included in the category of tertiary education in New Zealand, students studying in English language schools were not included in this study. This decision was based on the perception that English language study is often part of a broader study pathway and that students are unlikely to seek migration immediately after graduation. In addition, despite the fact that international doctoral students do enjoy domestic fee-paying status in New Zealand, self-funded doctoral students were also included in this study because they are not exempted from applying for permanent residence during or after their studies.

Student participants were recruited through my own contacts (including colleagues and students encountered through previous and current employment), and contact with participants and individuals who themselves had contact with international students. I also approached a number of organisations such as alumni associations and international student centres in universities, Chinese/Japanese/Korean media magazines (for free printed and

electronic advertisements), and education/migration agents as potential sources of referral. Ultimately, I was able to interview a total of 24 former or current self-funded international students (12 each in Brisbane Australia and Auckland New Zealand).

To provide descriptive information about the student participants, a background questionnaire was designed to document their age and gender, country of origin, educational background and visa status at the time of the interview. The questionnaire was tailored for relevance to research participants in Australia and New Zealand respectively by using the particular terminologies to distinguish the unique education system and immigration structure in each country. Examples of the background questionnaire are available in Appendix 7, and a summary of student participant characteristics can be found in Appendix 8.

The student participants were compared according to the following characteristic: (1) age, (2) gender, (3) country of origin, (4) educational background, and (5) visa status.

(1) Age

The majority of the student participants in this study were between 25 and 29 years old, with the student participants in Australia being relatively younger than their New Zealand counterparts (Table 5.2).

Table 5.2 *Student participants in Australia and New Zealand by age*

	Australia	New Zealand
Age	<i>n</i>	<i>n</i>
20-24	2	2
25-29	7	5
30-34	2	4
35-39	1	0
40 & above	0	1
Total	12	12

(2) Gender

Equal numbers of male and female students participated in the interviews in Australia, and in New Zealand there were two more female than male students (Table 5.3).

Table 5.3 *Student participants in Australia and New Zealand by gender*

	Australia	New Zealand
Gender	<i>n</i>	<i>n</i>
Female	6	7
Male	6	5
Total	12	12

(3) Country of origin

There was clear dissimilitude in the student participants' country of origin in each country (Table 5.4). While Iranian students formed the largest group of the student participants in Australia, students from China (including Hong Kong) made up the largest group in New Zealand.

Table 5.4 *Student participants in Australia and New Zealand by country of origin*

	Australia	New Zealand
Country of Origin	<i>n</i>	<i>n</i>
China/Hong Kong	3	4
Finland	1	0
India	1	1
Iran	4	0
Japan	0	3
Nigeria	1	1
Pakistan	0	1
Singapore	1	0
Taiwan	0	2
Zimbabwe	1	0
Total	12	12

(4) Educational background

The student participants in Australia studied at relatively high levels in comparison with those in New Zealand (Table 5.5). Of the 12 student participants in Australia, 10 studied at the postgraduate level and above, compared with five in New Zealand.

Table 5.5 *Student participants in Australia and New Zealand by educational background*

Educational Qualification	Australia	New Zealand
	<i>n</i>	<i>n</i>
Doctoral	2	2
Master's/Postgraduate	8	3
Bachelor/Undergraduate	2	5
Diploma	0	2
Total	12	12

(5) Visa status

Fewer student participants in Australia had transitioned to permanent residence at the time of the interview (Table 5.6). Of the 12 student participants, only one in Australia had obtained permanent residence, compared with five who had become permanent residents of New Zealand.

Table 5.6 *Student participants in Australia and New Zealand by visa status*

Visa Status	Australia	New Zealand
	<i>n</i>	<i>n</i>
Resident	1	5
Work	4	3
Student	7	4
Total	12	12

5.3.4.2 Education professionals

In this study, education professionals are identified as people who are involved in the international education or migration industries. Their experience of the development of policies linking study and migration lies within the context of their working closely with overseas students. Some education professionals were recruited from the Yellow Pages Business Directory, international education information magazines, or education agent directories on the internet; others were referred through the contacts of participants. I also approached a number of organisations such as universities in Brisbane and Auckland, Asia New Zealand Foundation, and ISANA Queensland branch for potential referrals.

I was ultimately able to interview a total of 16 education professionals (8 each in Brisbane Australia and Auckland New Zealand). A summary of the education professionals' backgrounds is shown in Table 5.7 and more descriptions can be found in Appendix 9.

Table 5.7 *Background of the education professionals in Australia and New Zealand*

Professional Background	Australia	New Zealand
	<i>n</i>	<i>n</i>
Individual	3	1
Migration Agent	1	1
PTE/VET	1	2
School	1	0
University	2	4
Total	8	8

5.3.5 Designing interview guidelines

In order to lead the progress and direction of the interviews, I designed two sets of interview guidelines for the two groups of research participants. The guidelines included a list of open-ended questions which were developed from my knowledge and understanding gained from a comprehensive review of the existing literature on the research subject. Questions in the areas to be covered were developed before the pilot interviews and continuously reviewed and adjusted for relevance. Similar questions using different terminologies were compiled for their relevance to the research participants in Australia and New Zealand. Examples of the interview guidelines can be found in Appendices 10 and 11.

To establish rapport with the research participants, introductory questions such as ‘please briefly describe your current visa status’ and ‘what is your involvement in the international education industry’ were asked of student participants and education professionals respectively to collect basic information about their engagement in the policy system. The interviews questions were then divided into four parts. The first part examined how the research participants identify the connection between international education and student migration by asking the following guiding questions:

- What were the reasons you chose to study in Australia/New Zealand? (From your experience or understanding, what are the reasons that international students choose Australia/New Zealand as their study destination?)
- Studies show that a great number of international students have a special interest in obtaining permanent residency after graduation. What is your view?
- Have you considered immigrating to Australia/New Zealand during your study?

- What does Australia/New Zealand permanent residency mean to you? (From your understanding, what does Australia/New Zealand permanent residency mean to international students?)

These questions sought to discover the motivations of international students; if they were studying for the purpose of immigration; what had attracted them to study in their host country; whether they were intending to apply for permanent residence in the country where they had chosen to study and if so, what was behind that decision.

The second part of the interview questions examined how the research participants perceive the policy link between international education and skilled migration. Some guiding questions were as follows:

- Does the skilled migration policy favour former international students who have studied in Australia/New Zealand?
- From your experience, which stakeholders have important roles in the relevant policy making? Who were the most influential ones? How is that influence exercised?
- From your experience, what were the key considerations shaping international education policy in the host country?
- What were the considerations shaping the government's immigration policy as it applied to international students?

These questions were designed to understand how the policy link and the policy systems associated with international education and skilled migration were perceived and experienced by international students and education professionals. They were also intended to prompt the research participants' reflections on the policy setting linking study and migration, the transition from study to permanent residence, and the degree of ease or difficulty of obtaining permanent residence through the policy setting.

The third part examined the research participants' experiences with the development of policies linking study and migration. Some guiding questions were as follows:

- In the last few years, have you been aware of any changes in Australia/New Zealand government policy towards international students?
- Were these policy changes surprising? How did you feel about these changes?
- How have these changes been implemented? Why do you think the government has made these changes?

- Would the government immigration policy towards international students change in the next couple of years?

These questions were designed to elicit the research participants' experiences with the policy development, including changes of policy and their views of what had contributed to those changes and how they were implemented and based on their experience, what further change, if any, they might expect to occur in the future.

In the fourth and final part of the interview, research participants were asked about the impacts and implications of policy development for them personally and more generally in their roles in the policy system. Some guiding questions were as follows:

- Who do you think has benefited by these policy changes? How have they benefited from these changes?
- Has anyone been disadvantaged by these changes? How have they been disadvantaged?
- What impacts have these changes had on you?
- If the government immigration policy no longer favours former students, what impact will this have on the international education industry?

These questions were devised to find out how the research participants had been affected by the policy changes, how they negotiated the changes, and what challenges and opportunities they thought had emerged for the international education industry in consequence of the policy changes.

Because research participants would be asked to comment on some events or policy changes retrospectively, the interview guidelines were provided to them prior to the interview. In this way, they were given an opportunity to review and think through the interview questions in advance. It became apparent, however, that the majority of the research participants did not read the interview questions prior to their interviews.

5.3.6 Conducting interviews

Potential research participants were first approached by me via email, following referral. In the initial email I briefly introduced myself and provided some preliminary information about this research. An 'Information Sheet' outlining the background and purpose of this research was

also provided to prospective research participants in early communications. When they had agreed to participate in the interviews, a follow-up email was sent along with a 'Consent Form' and the interview guidelines. A copy of the 'Information Sheet' and 'Consent Form' can be found in Appendices 12 and 13.

Locations and times of interviews were based primarily on the availability and preference of the research participants. Most interviews were arranged and conducted accordingly, with only a few research participants rescheduling due to unexpected circumstances. On the day of interview, and before it officially started, I allowed sufficient time to briefly recap the purpose and background of this research, and for the participant to ask questions if he/she required further clarification. Since a number of email communications had been exchanged with most research participants prior to the interviews, most were sufficiently informed and rapport was quickly established.

All research participants appeared to be interested in the research subject and readily agreed to have the conversations recorded with a digital recorder. The majority of interviews were conducted in English, except in six cases where the student participants preferred the interview to be conducted in their first language. Among these six interviews, four were conducted in Mandarin Chinese and two in Japanese. Because I also speak Mandarin Chinese and Japanese, no interpreter was used in these interviews.

Each interview was between 45 minutes to one hour in duration. A couple of interviews were shorter than others due to the research participants' time limitations, while some extended beyond the agreed duration because of the rich information and the ardent desire of the research participants to share it. After each interview had taken place, a follow-up email was sent to each research participant thanking them for their time and participation.

5.3.6.1 Brisbane interviews

Brisbane interviews were conducted at various times between April 2010 and January 2011. Most interviews with the student participants were conducted in a study room at Griffith University (Nathan Campus) library and a few were conducted in their own homes. The

interviews with the education professionals were all conducted at their offices, except one which was conducted in a meeting room at Brisbane Square Library.

5.3.6.2 Auckland interviews

I conducted interviews in Auckland in May and November 2010, each time travelling to Auckland for a ten-day period for this purpose. Prior to each visit, the research participants were contacted by email to advise them of the dates I would be available. The details of the interview were then discussed and decided upon. Most interviews with the student participants were conducted in a meeting room at AUT University Wellesley or Akoranga (North Shore) Campus and the remainder in students' homes. The interviews with the education professionals were mostly conducted at their offices, except for one held at Auckland War Museum to accommodate the research participant's work commitments.

5.3.7 Transcribing and coding interviews

Following the interviews, all recordings were transcribed verbatim into a word document by me. The six interviews spoken in Mandarin Chinese or Japanese were transcribed in the same language used in the interviews. In view of the complexity of transferring idiomatic expressions from one language to another, and to avoid losing accurate information in translation, the transcripts were not translated into English until much later when the analysis was completed and their words were required to depict their perceptions. The process of transcribing all the interviews was lengthy but resulted in a familiarity with their content that assisted in the depth of analysis I later achieved.

The name of the research participant was removed and replaced with a pseudonym so his/her identity could not be linked to the information provided in the interviews. After the transcript was completed, each participant was emailed a copy of the word document to verify the accuracy of its contents. While every effort was made to capture the conversation as accurately as possible, the research participants were also given an opportunity to ensure that their responses were captured with fidelity. In response to my email for validation, some research participants replied indicating that it had been received, a few sent through feedback and

clarification, and the majority did not respond. The research participants were also offered a digital record of the interview upon request, but none were requested.

Before coding began, each interview transcript was read closely several times. This process further enabled familiarity with the experience and perspective of each research participant. To describe each segment of this research, three themes including 'international education', 'student migration' and 'government policy' were prearranged. While this could have created an initially forced and artificial affirmation, the prearrangement proved helpful in aligning the analysis within each of these three themes and in exploring possible interactions between them. The data from interviews was then coded for relevant patterns and categories and then grouped into each theme respectively. My interpretations of the interview data were also used to develop linkages and bring coherence between patterns and categories.

Coding phrases are the key words that I used to derive related patterns and categories from the interview transcripts, as illustrated in the following examples. If a student participant said that he chose to undertake study in his host country for economic considerations, I coded this, remarked it as 'attractions of the host country', and put it under the theme of 'international education'. If the student participant mentioned that he wanted to apply for permanent residence after study because he had developed a sense of belonging towards the host country, his motive was coded and noted as 'aspirations about permanent residence' and put under the theme of 'student migration'. When the same participant reflected on the policy setting linking study and migration in his host country, his comment was then coded accordingly and listed under the theme of 'government policy'. This coding practice was repeated throughout the data analysis process. Table 5.8 shows a list of key phrases that were used to derive patterns and categories in this research.

Table 5.8 *Key coding phrases*

Themes	Categories	Coding Phrases
International Education	Selection of study destination	First choice of study destination
		Not first choice of study destination
	Attractions of the host country	English-speaking
		Economic considerations (Cost of study/Living expenses)
		Visa rejection/Immigration restrictions
		Geographic location

		General impressions
		Climate
		Education reputation and system
		Influence of others
		Proactive policies
		Possibility of migration
Student Migration	Attainment of permanent residence	Interested in obtaining residence
		Not interested in obtaining residence/Undecided
	Decision making	Considered migration prior to arrival
		Considered migration after arrival
	Aspirations about permanent residence	Economic incentives (Better pay/Subsidised education/Financial liberation/Better living conditions)
		Established social service system
		Better employment prospects
		Sense of belonging (Developed emotional/social/professional attachments)
		Sense of alienation from home country/Loss of connections and networks
		Security
		Lifestyle/Improved quality of life
		Improved mobility/Passport/Stepping-stone
		Escape oppressive situations at home
		A back-up/An insurance policy
		The available study-migration link
Government Policy	The policy link	Reflections/Advantages and drawbacks of the policy setting
		Transitioning to permanent residence
		Complications and difficulties in transition
	The policy system	Important stakeholders
		Stakeholders' considerations
		Stakeholders' influences
		Power dynamics between the stakeholders
	The shape of the policy setting	Policy changes that hindered transition
		Factors contributing to the policy changes
		Implementation of the policy changes
		Impacts and implications of the policy changes
		Anticipation of further changes
		Concomitant challenges and opportunities

Under the theme of 'government policy', the same patterns and categories were separated to distinguish the responses of the different groups of the research participants. This distinction was important because the perceptions of, and the implications for, international students and education professionals of the development of policies linking study and migration are highly divergent. Moreover, under the three themes the same patterns and categories of the findings

also separated the Australian or New Zealand contexts in such a way that the differences between two countries could be meaningfully compared.

Finally, the emerging patterns and categories were arranged and presented in a systematic way to address each of the following questions:

- Did the policy setting linking study and migration facilitate international students' decisions to study in their host country? How did international students respond to the policy setting linking study and migration?
- How was the development of policies linking study and migration perceived by the research participants? What do they consider to be the factors contributing to the policy development?
- How were the research participants impacted by the development of policies linking study and migration? What do they believe to be the impacts and implications of the policy development?

No difficulties arose in coding data in different languages in NVivo,⁵² which was used to support the data analysis process. Each transcript was consistently compared with others to ensure the uniformity of coding and to avoid potential errors. My supervisors were regularly informed of the progress of the interview transcribing and coding. Their feedback was also sought when I had doubts or uncertainty about the process.

5.3.8 Triangulation

Triangulation is a research strategy that is used to improve the validity of research findings by employing multiple methods, sources of data, or even researchers (Mathison, 1988). As the researcher, I felt confident that the research methods, document analysis and face-to-face semi-structured interviews were complementary. Document analysis provided preliminary knowledge of the research subject from academic and governmental perspectives, while face-to-face semi-structured interviews augmented the prevailing understanding from the perspective of selected policy actors in the policy system. Furthermore, two groups of research participants, international students and education professionals respectively, were recruited to reflect on the research subject.

⁵² NVivo is one of many computer-assisted qualitative data analysis software (CAQDAS) packages.

It is possible that information derived from each research method or participant group may have been segmental, inconsistent or even contradictory. These differences could, however, be reconciled through triangulation to produce a comprehensive understanding of the relationship between international education, student migration and government policy.

5.4 Conclusion

This chapter outlined the design of this research. It justified the qualitative approach as suitable for the purposes of the research, and Considine's policy system as an appropriate methodology to deconstruct the policy-making process into policy institutions, policy actors, political economy, and policy culture.

While an increasing amount of literature on the policy setting linking study and migration is evident, in-depth and qualitative investigations of the research subject are rare, and the perspective of international students and education professionals remains underrepresented. Therefore, this research is important for its incorporation of the findings, gleaned from the fieldwork that underlies this research, into the understanding derived from the existing literature, making the knowledge of the relationship between international education, student migration and government policy more comprehensive.

The following two chapters present the interview findings, which will respectively address how the development of policies linking study and migration were perceived and experienced by international students and education professionals, in the context of Australia and New Zealand.

Part IV Findings

Chapter 6 Findings - Australia

The preceding chapter presented the methodological design of this research. Considine's policy system was adopted to deconstruct the relevant policy-making process into policy institutions, policy actors, political economy, and policy culture. Finally, the chapter noted that the research method of triangulation was adopted, using two research methods and two groups of participants to produce a comprehensive understanding of the research subject.

The aim of this chapter is to present the findings from the face-to-face semi-structured interviews conducted in Brisbane Australia between April 2010 and January 2011. Data was derived from the interviews with 12 former or current self-funded international students, and eight education professionals who were closely involved with the international education or migration industries. The findings are categorised into relevant themes and supplemented by extracts of interviews, where appropriate, to illustrate the viewpoints of the research participants. In the two findings chapters, 'research participants' is used to indicate both groups of participants while 'student participants' refers to international students exclusively.

This chapter is divided into five sections. Section 6.1 identifies that the majority of the student participants were not attracted to Australia by the possibility of migration, but had developed a subsequent interest in obtaining permanent residence. Section 6.2 reports that most research participants had positive considerations of the policy setting linking study and migration, notwithstanding its challenges and complications. It also points to the increasing difficulty of transition for international students that is due to the combined effect of changes to the policy setting, economic environment and political climate in Australia. Section 6.3 notes that Australia's study-migration pathway has undergone significant changes in the past few years. It also shows that the way the changes were carried out resulted in frustration and confusion for the research participants. Section 6.4 outlines the impacts and implications that policy changes have had on international students and other policy actors in the policy system. Section 6.5 provides a summary of the chapter.

6.1 International education and student migration

This section identifies the connection between international education and student migration by examining the student participants' decisions regarding studying and obtaining permanent residence in Australia. The first two questions asked the student participants if they had pursued international education for the purpose of immigration (6.1.1), and what had attracted them to study in Australia (6.1.2). The next two questions asked if the student participants were interested in applying for permanent residence (6.1.3); and if so, what motivated their decisions to seek permanent residence in Australia (6.1.4).

6.1.1 Did international students study for the purpose of immigration?

Of the eight education professionals, six recognised that some overseas students have the intention of using education as a mechanism to obtain permanent residence in Australia. Ashlee is a migration agent whose clients are mostly Iranian students. She affirmed that the possibility of obtaining permanent residence was a major motivating force for many of her clients choosing to study in Australia.

They used a student visa as a pathway to permanent residence. They wouldn't be studying in their home countries. If they had tools or if they didn't have to study for the visa, they wouldn't study. *(Ashlee, Migration Agent)*

However, the majority of the student participants indicated that this was not the case for them. Laila was the only student participant, out of 12, who had considered the possibility of obtaining permanent residence prior to her arrival in Australia.

Because of my country and the policy in my country, before I arrived I had already thought about [applying for permanent residence] in Australia. *(Laila, Iran, Master's student, Environmental Management)*

The majority of the student participants avoided giving the impression that their study was driven by the possibility of obtaining permanent residence, although they were aware of other international students who were studying for the purpose of immigration. Two student participants explained:

People did courses like accounting or engineering because they allowed people to get permanent residence more easily. For a lot of people that's the story, but I must confess in my case it wasn't. *(Neil, Nigeria, Master's graduate, Accounting)*

Even before I came here, I was under pressure to take accounting, from my parents, from my agent. They said if you do accounting you can get PR straightaway after graduating. *(Fang, China, Master's graduate, Human Resource Management)*

The observation of two education professionals was also in accordance with most of the student participants' lived experience. Tia and Katharine suggested that permanent residence could be an option for international students to consider after study, but was not necessarily the main reason they were studying in Australia.

I don't necessarily think that is the priority for some students before they come. *(Tia, International Education Business Consultant)*

When students think about studying overseas, they like to keep their options open. So they may think 'Well, if I like Australia, if I like New Zealand, I might want to stay. That's not necessarily the reason I'm going, but it might be something in the background that I will think about when I am there'. *(Katharine, Board Member, IEAA)*

6.1.2 What attracted international students to Australia?

When asked whether Australia was their first choice of study destination, three student participants responded in the negative, saying they would have preferred the United States or Canada to Australia. The rejection of a visa application by the preferred destination is a common basis for international students taking up a lower-order preference. Two student participants from Iran did not even attempt to apply to study in their first choice of study destination because of the anticipated difficulty of getting their visa application approved. Laila said:

My first choice was Canada. But receiving a visa from Canada or USA was very difficult for me because I am from Iran, so I had to choose Australia. *(Laila, Iran, Master's student, Environmental Management)*

After completing his Bachelor's degree in Australia, Neil returned to Nigeria and applied to study for his Master's degree in Canada, which had always interested him. However, he eventually came back to Australia because there was an unexpected delay in his Canadian visa application.

I was intending to go to Canada [from Nigeria], but [the visa] processing was too slow. And when I applied for Australia it went through pretty quickly, so I thought

'Okay, rather than sitting at home and keeping waiting, I should make the best use of what is available right now'. (*Neil, Nigeria, Master's graduate, Accounting*)

The student participants who chose Australia often compared it with other English-speaking countries such as the United States, the United Kingdom and Canada. One of the most important reasons cited by the student participants for considering Australia in the first place was that it is an English-speaking country. However, three student participants preferred Australia over other English-speaking countries such as the US, the UK and Canada because of its climate, the cost of study and their general impressions compared favourably.

[Australia's] fees were much cheaper compared to the US or the UK, so in terms of price they were attractive. (*Guy, Zimbabwe, Master's graduate, Nursing*)

Compared to Canada, the climate is good here, sunny and warm...and compared to England, England is a really expensive country. (*Hassan, Iran, Master's student, Veterinary Science*)

Two student participants considered Australia desirable as a study destination because Australia's education also enjoyed a good reputation worldwide.

Australia has good universities, a high international ranking, especially those Go8⁵³ universities. (*Hassan, Iran, Master's student, Veterinary Science*)

Some universities here are very famous, and they can provide you with high quality education. (*Zhen, China, Master's student, Environmental Management*)

Neil and Zhen further explained that Australia was particularly appealing to them because its education system enabled them to complete their course of study in a relatively shorter time period. Similar comments were also made by the student participants who were studying for a Master's degree in Australia.

[Australia] actually came as a positive choice where I could get my [Bachelor] study done in three years, and not just get it done in three years, but get a degree that will be recognised internationally. (*Neil, Nigeria, Master's graduate, Accounting*)

In China if you study a Master's degree, it will take you three years, but here just one and half years. (*Zhen, China, Master's student, Environmental Management*)

⁵³ Group of Eight (Go8) is a coalition of leading Australian universities, including Australian National University, University of Sydney, University of Melbourne, University of Queensland, Monash University, University of New South Wales, University of Adelaide and University of Western Australia.

Two other student participants, from China and Singapore, said that Australia's geographic location being closer to their home countries was also a consideration.

When I applied to study abroad, I just considered that Australia is closer to China, which makes it much easier when I go back to China. (*Qian, China, Master's student, Environmental Management*)

I didn't want to travel very far, just wanted to stay within the Asia-Pacific area. (*Liang, Singapore, Master's student, Property Management*)

More importantly, favourable policies associated with international students appeared to be a critical factor that drew the student participants to Australia. Ten student participants appreciated having the ability to work part-time while studying. Comments similar to the following were often heard in the interviews with the student participants:

That's the most strategic decision Australia made, allowing international students to work. That will always bring people who normally wouldn't come, who couldn't get sponsorship and who couldn't go to places like US and UK, knowing that they can come to Australia and have a very good chance to finance their studies. (*Neil, Nigeria, Master's graduate, Accounting*)

Three other student participants stated that the benefits international students received from the ability to work went beyond the financial. Their labour market participation also provided them with an opportunity to adapt to local society and to enhance their future employment prospects.

Finding a job means getting money, so that's good. But the other thing for me means learning more from this culture, it's a training course for me, for my English, for my experience, for me to learn how to communicate with people, what they like and don't like, and the details of life. (*Hassan, Iran, Master's student, Veterinary Science*)

As an international student you are engaged in the workforce, you learn how to interact with local people and people in the industry...I was working part-time in a hospital, and it actually helped me get a job later on. (*Guy, Zimbabwe, Master's graduate, Nursing*)

As a female and married student participant, Farah was grateful for the policy that not only allowed her husband Amir to accompany her to Australia, but also gave him the right to work full-time in any field to cover some of their living costs.

First of all, your partner can have a visa, that's a good thing. And second, they can work which is another good thing. Because my study was full-time, my partner could work full-time. *(Farah, Iran, PhD student, Paediatrics)*

Even though most student participants were not studying for the purpose of immigration, the majority understood that they could potentially apply for and obtain permanent residence after study. In fact, they admitted without hesitation that the possibility of migration was quite appealing, and added to Australia's attractiveness as a study destination.

[In Australia] the immigration process seems to be a little bit easier than other countries. Even though there is no guarantee that all students are able to stay, this can be a good motivation for many students to come here. *(Hassan, Iran, Master's student, Veterinary Science)*

A lot of people think it's easier to get permanent residence in Australia than it is in a lot of countries, and I believe this to be true. I at least believe that it's easier to get permanent residence here than in the US or the UK, that much I know. My brother is a citizen in the US, and I have family members also citizens in the UK, so I do know that in those places the procedures are much tougher than in Australia. *(Neil, Nigeria, Master's graduate, Accounting)*

Although international students overall seemed to like the idea of migration, it was apparent that international students from economically less developed countries expressed a stronger interest in staying on and obtaining permanent residence in Australia.

Many students from the Middle East, Africa, and developing countries in Latin America, are much more interested in staying than students from developed countries. *(Hassan, Iran, Master's student, Veterinary Science)*

6.1.3 Are international students interested in permanent residence?

Even though the possibility of migration was not the preeminent factor in most of the student participants' decisions to study in Australia, it was evident that they had all subsequently developed a keen interest in applying for permanent residence. At the time of the interviews, Guy had already gained permanent residence, while Neil was waiting for his permanent resident status to be granted. Three other student participants were in the process of becoming eligible to apply for permanent residence, and the remaining seven were yet to complete their studies, but they too demonstrated a strong interest in applying for permanent residence on completion.

Irrespective of whether the student participants had begun to consider applying for permanent residence before or after they arrived in Australia, it appeared that the majority wanted to obtain permanent residence on completion of their studies there.

6.1.4 What motivated international students' decisions to immigrate?

From the outset, Laila thought about becoming a permanent resident in Australia; her primary motivation was her wanting to escape the political conditions and restrictions in her home country of Iran.

If you come from a country that has a bad situation or produces difficulties for you, when you come to Australia you want to apply for permanent residence.
(*Laila, Iran, Master's student, Environmental Management*)

For the student participants who had begun to consider the possibility of migration after spending a number of years studying in Australia, one of the common reasons was the emotional attachment they had developed to Australia:

I have lots of friends here...I have been here for almost five years now, so I've got used to the surroundings. (*Raj, India, Master's graduate, International Business*)

If you come here as a student, you build your own life here. You get friends and you start working, so that would be a natural way of migrating here. (*Katy, Finland, Bachelor student, Business*)

On the one hand, the attachments that students developed deepened their desire to stay in Australia; on the other, they made the student participants feel estranged from their home countries. When this feeling of distance grew, it eventually contributed to a decision to settle in Australia permanently, as typified in the following comment:

If you spend a long time in Australia, a lot of people get used to this kind of environment; after they go back they don't feel comfortable. (*Liang, Singapore, Master's student, Property Management*)

Raj had been living in Australia for over four years at the time of his interview. He recalled the experience of 'going home' to visit India in 2009 and his difficulty in reconciling the changes that had occurred in himself and his home country over the past years.

Last year I went back home, it was quite difficult to adjust. Once you are out of your country, you would be in the mindset that everything is the same. But when you go back, you realise your country moved on even if you were not there. (*Raj, India, Master's graduate, International Business*)

Essentially, if the student participants had wanted to build their life outside their home countries, it would have been easier to settle in Australia rather than to move to another country. This explained Neil's decision to obtain permanent residence in Australia, even though Canada had always been his ideal. After Neil had completed his Master's study in Australia, he realised that going to Canada and starting afresh was not practical, given the foundation he had already established in Australia.

[G]oing to Canada and starting from scratch wasn't that wise, simply due to something already here...so rather than starting from scratch, why not build on what I already have here? (*Neil, Nigeria, Master's graduate, Accounting*)

Similarly, Farah preferred to remain in Australia even though she and Amir had already obtained permanent residence in Canada. Her main reason was to maintain continuity in her professional practice as a paediatrician in a familiar work environment.

Because we have done our education [here], we know people in our area in Australia. It would be better for us to stay here, work environment-wise. (*Farah, Iran, PhD student, Paediatrics*)

Guy was the only student participant who had gained permanent residence at the time of the interviews. When Guy completed his Bachelor's degree in 2005 the Graduate Visa was not yet introduced; he wanted to stay in Australia but had been unable to find suitable employment. In order to prolong his stay, Guy then undertook further study in Nursing and eventually transitioned to permanent residence. Guy's personal experience showed that, for him, one immediate benefit of having permanent residence was that he no longer had to use study as a means of staying in Australia.

You can stay in the country indefinitely instead of paying fees to stay in the country; you don't have to study to enable you to stay in the country. (*Guy, Zimbabwe, Master's graduate, Nursing*)

The interviews with the student participants indicated that they wanted to obtain permanent residence in Australia for various reasons, but their decision-making had a lot in common. By attaining permanent residence, they were seeking a resource that they valued, something that

was not available to them in their home countries. One example was the way of life in Australia:

People work so hard in Asian countries, like Singapore, Japan, and Hong Kong. It's hard for them to find work and life balance...but I know Australia can offer me this kind of lifestyle. (*Liang, Singapore, Master's student, Property Management*)

Otherwise, the desire to obtain permanent residence in Australia was fuelled by the perception of a more secure life:

Suppose that you don't have work in India – they don't pay you. They can't afford to pay more than a billion people just because they don't have work...here you have, be it Medicare, be it extra, the first-world country benefits. (*Raj, India, Master's graduate, International Business*)

Australia is a very good place where I can find financial security. It has a very stable political system and a very stable economic system, which means I can invest and have peace of mind that my investment is going to be safe. (*Neil, Nigeria, Master's graduate, Accounting*)

Over half of the student participants gave a relatively high priority to economic incentives, such as opportunities for better pay or unrestricted working hours, in their decisions to obtain permanent residence.

You can earn a good amount of money, and you can still save and stay in better conditions, compared to back home. (*Raj, India, Master's graduate, International Business*)

For some, probably PR means better opportunities to study without paying expensive fees, and for other people it means that they can work as many hours as they want...international students simply are limited in the number of hours they can work. (*Guy, Zimbabwe, Master's graduate, Nursing*)

Other student participants wanted to have permanent residence because it seemed to be an effective way to improve their employment prospects in Australia. Farah, for example, felt that she did not have an equal opportunity in the employment market while she did not have permanent resident status. This doubt was echoed by others, who shared the same perception:

Most jobs need permanent residence, it's a condition. If you don't have permanent residence you can't apply for the job. (*Laila, Iran, Master's student, Environmental Management*)

I went to a career fair at Griffith and to a career fair at UQ⁵⁴. There were about 200-300 different employers from different places in Australia, and every single one of them required permanent residency or citizenship. (*Raj, India, Master's graduate, International Business*)

As someone who had 'been there and done that', Guy explained that his primary motivation to obtain permanent residence had been to make himself more marketable to potential employers.

My initial goal wasn't to get PR. It was to get a job first, then apply for permanent residence. But I couldn't really find work. I thought probably as a permanent resident I am more marketable. People aren't afraid to take me, so I realised that having PR is a good idea. (*Guy, Zimbabwe, Master's graduate, Nursing*)

Four student participants viewed obtaining permanent residence as the first step to Australian citizenship and more importantly, an Australian passport. Generally, the more they were troubled by their nationality's proscribing their ability to travel, the more strongly these students desired to obtain an Australian passport to improve their mobility.

An Iranian passport isn't very good, all the time we struggle to get a visa for all countries. Getting an Australian passport is a big improvement for our nationality and our visa problem. (*Amir, Iran, PhD graduate, Mining Economy*)

Having an Indian passport is still difficult to go to some countries...if you have an Australian passport, you can travel to Europe; you can travel to any country. (*Raj, India, Master's graduate, International Business*)

Fang used the term 'being stuck' to describe the limited mobility afforded by her Chinese passport. She also foresaw the possibility that Australian citizenship could be a springboard to enter other countries in the future.

[Having an Australian passport] gives me more flexibility to go somewhere else if I want to; with my Chinese passport I am pretty much stuck in one place. (*Fang, China, Master's graduate, Human Resource Management*)

Although none of the student participants specifically indicated that they might regard permanent residence as a 'back-up' which could be useful in the future, Ashlee's experience as a migration agent was that sometimes international students were motivated to obtain permanent residence for this reason.

⁵⁴ University of Queensland

Even though people apply for permanent residence, they may not end up staying. But they like to have it as a back-up, just in case they do decide one day to come and live here. (*Ashlee, Migration Agent*)

Often in the interviews, student participants revealed that they had come to know about the study-migration pathway and the possibility of obtaining permanent residence through their education agent, classmates or friends. Moreover, alongside their study experience and other factors that had motivated these students to consider migration, it was the policy setting linking study and migration in Australia that had, to a degree, also informed their decisions to apply for permanent residence after study.

6.2 The study-migration pathway

This section examines the policy setting linking study and migration in Australia. The research participants were asked to reflect on the policy setting (6.2.1), how it enabled international students to transition to permanent residence (6.2.2), and whether the policy setting truly facilitated their transition to permanent residence (6.2.3).

6.2.1 Reflections on the policy setting

The education professionals interviewed for this research generally viewed the policy setting linking study and migration positively, mainly on the grounds that it made good economic sense. Five education professionals, out of eight, regarded international students favourably as a source of skilled migrants, and agreed that it was advantageous for the government to recruit skilled migrants from the pool of international students who were already in Australia studying and working.

To maintain the economic growth of this country you need to maintain the workforce population...so it actually makes sense to bring people in, educate them within Australia, and then provide them with jobs. Probably that's where the policy is coming from. (*Tia, International Education Business Consultant*)

A person who has a local qualification, at least two years and usually more living in our culture, understanding how things operate, working part-time...if they choose to stay and they can get a job, why wouldn't they be good contributors to the Australian economy? (*Katharine, Board Member, IEAA*)

We need international skills to fill the gaps, so the preference is to train those skills here rather than importing through other direct skilled migration means. *(Rose, International Education Consultant)*

The majority of the education professionals admitted that the policy setting could potentially be used by international students as a mechanism of immigration to Australia. However, they took exception to perceptions that international students were calculating residency hunters for whom studying was merely a subterfuge. From their perspective, facilitating the skilled migration of overseas students was the intention of the policy design in the first place. Therefore, if overseas students had planned to obtain permanent residence through the study-migration pathway, it would not have been a misinterpretation of the policy.

If a student wants to immigrate, there is nothing wrong with that. In fact, that is part of our policy and what we have set out to do. *(Rose, International Education Consultant)*

Likewise, the student participants agreed that the policy setting formed a 'study-migration' pathway which could possibly lead to permanent residence. This was Neil's reasoning as to why the policy setting gave a certain priority to international students who had undertaken study in Australia:

They give preference to people who actually studied in Australia, and the longer you have studied here, the greater preference they give you. Because I guess they think the longer you stay here, the more you understand the culture, and it's easier for you to actually understand how it works, to fit in the society. *(Neil, Nigeria, Master's graduate, Accounting)*

While the policy setting might assist international students to embrace opportunities not available in their home country, one student participant argued that Australia's economy also benefited enormously from the policy setting linking study and migration.

The government is benefited [through the policy setting] in two ways...they are lucky if they get actual skilled people who stay and work at that particular job, instead of just getting their residency then moving. And second they are benefited because they are [attracting international students to study here and] getting so much money spent on restaurants and shops, all money going to the economy. *(Raj, India, Master's graduate, International Business)*

Three student participants felt that they deserved to be favoured in the selection for permanent residence, not only because of their skills advantage, but also because of their prior study

experience in Australia. They felt that they had been investors in the local economy during the time they had studied in Australia, and for this reason they thought they were justified in their advantage in the skilled migration selection. This idea was expressed in the following ways:

We international students are sort of investors, so in a sense we need to get our money's worth. If you see studying in Australia is an investment and you expect some return, you sort of expect to get some advantage when you submit your PR application. (*Fang, China, Master's graduate, Human Resource Management*)

You paid lots of money; after that if you won't receive any bonus, no PR or whatever you want, [means] you wasted time and money as well. (*Laila, Iran, Master's student, Environmental Management*)

6.2.2 Transitioning from study to permanent residence

As a transition mechanism, the Graduate Visa scheme allowed international students to remain in Australia after their studies for an extended period so they could find suitable employment and increase their eligibility for skilled migration. Every education professional agreed that the ability to stay and obtain Australian work experience was an important part of the process of transition to permanent residence.

We do have students here we need to give opportunities to test their skills, to go out to work, to improve their English. So that was actually a very positive move. (*Rose, International Education Consultant*)

Fang and Raj were both holders of the Graduate Visa at the time of their interviews. The following comments were in accord with observations made by the education professionals that indicated the additional opportunity afforded by this visa was welcome, and the extended stay widened the possibilities open to former students.

If was not for this visa I wouldn't be able to stay here right now, so it gave me an opportunity to explore what is out there. (*Fang, China, Master's graduate, Human Resource Management*)

If I get some work experience, I am probably able to score some points [towards permanent residence]. (*Raj, India, Master's graduate, International Business*)

However, five student participants also identified a complication in the policy setting linking study and migration. To qualify for this visa, or even to be able to claim Australian study experience when applying for permanent residence, a former student has to have studied in

Australia for a minimum of two years. This requirement created a difficult situation for those student participants who had completed a Master's degree in Australia, because the standard duration is only 18 months. Two student participants explained this difficulty:

If students intend to get this 485 visa or to apply for PR, they have to meet this entire two-year study requirement. For postgraduate study most of the programmes in Australia is one or one and half years, which means you have to consider doing an additional Master's, or a programme for six months in order to meet the visa requirement. (*Fang, China, Master's graduate, Human Resource Management*)

Most Australian postgraduate courses are one and half years, but then for applying temporary residency, you've got to have two years...that means a person has to again invest in a six month course just for the sake of it. (*Raj, India, Master's graduate, International Business*)

This complication might prompt most student participants in Master's courses to undertake further study in order to satisfy the two years' study requirement, but this was not the most distressing issue. The biggest barrier to permanent residence, indicated by the majority of the student participants in this study, was meeting the skilled employment requirement.

6.2.3 Difficulties in obtaining permanent residence

The transition scheme allowed the student participants to stay on with full working rights in Australia. Getting a job, however, was not easy; the common feeling of the student participants in this study was that potential employers generally preferred applicants who had permanent residence or citizenship. Consequently, this lack of permanent status greatly disadvantaged their competitiveness in the employment market. Amir shared his earlier job-seeking experience:

I was shortlisted [had a good interview] and the company congratulated me for the position. A couple of days later they contacted me and said 'Sorry, we are letting you know that we can't recruit you because of the visa problem'...they had one Australian candidate who doesn't have any visa problem, so they were offering the position to that person instead of me, although I was their first choice. (*Amir, Iran, PhD graduate, Mining Economy*)

Other comments, similar to the following, were often made by the student participants and illustrated the dilemma of needing a job to qualify for skilled migration, but needing permanent residence to be considered for employment:

For international students the problem is they need to work for a company, but many companies don't want to hire international students, so it's catch 22...I know many people are genuinely looking for work in their field, but half of the doors are closed because of the PR issue. *(Neil, Nigeria, Master's graduate, Accounting)*

Even though this visa can allow you to work here, employers would think 'You are not a citizen so I can't offer this job to you'. It's so complicated. People can stay here but they can't find a job. *(Zhen, China, Master's student, Environmental Management)*

While more than half of the student participants attributed the hesitation of potential employers to the concern that workers without permanent residence might be less likely to remain in the job, two education professionals perceived that there were also other issues contributing to the difficulties international students encountered in the employment market.

The regulations around requirements for employers are quite complicated and it's easier not to worry about it. Culturally as well, having international people within your workforce can be quite challenging if you weren't aware of the cultural differences. *(Tia, International Education Business Consultant)*

Some of the discrimination issues that we noticed, in accounting and IT, for example, were students sending through résumés, and people just looking at names and deciding that they won't interview them, just unfortunate things like that. *(Rose, International Education Consultant)*

The study-migration pathway may have helped many international students obtain permanent residence in the past, but the student participants in this study recognised that their transition to permanent residence had become much more difficult. While finding skilled employment is often challenging for new graduates, it is harder for international student graduates because of their temporary resident status. In the wake of the changes to skilled migration policy and practices, the student participants in this study were confronted with an increasingly restricted study-migration pathway which compounded the difficulty of their transition to permanent residence.

6.3 A shaping of the policy setting

This section examines the development of policies linking study and migration in Australia. The research participants were asked to recall the policy changes they had encountered or noticed over the last few years (6.3.1). I also asked them to consider what factors might have contributed to the policy changes (6.3.2) and to reflect on how the changes were implemented (6.3.3). At the end of the section, the research participants were asked if they could predict further changes (6.3.4).

6.3.1 What had changed?

The previous policy approach of the Australian government had been to encourage the transition of overseas students to permanent residence; there was now an immediate perception that the government had become drastically reserved in their attitude towards international students seeking permanent residence.

The government is saying that if somebody wants to come here to study, their first reason for being here should be study, not to get permanent residence. And if people are using this as a pathway to permanent residence, then that's wrong, they shouldn't be doing that. (*Ashlee, Migration Agent*)

The trend of policy change was to strengthen the skilled migration requirements, and to reduce the number of former students eligible for permanent residence under the GSM programme. Four student participants expressed their concern about having to score IELTS 7 or 8 in every component of the language test in order to achieve the highest possible points. International students from Asian countries seemed to struggle particularly to achieve high scores in the IELTS test. Raj gave the example of a friend who was unable to meet the required English language score in spite of repeated attempts:

A Malaysian friend who has got work experience...he has sat IELTS about 6-7 times, and he's got just 6.5 overall, he was not able to pass. So in this way Immigration is able to filter a lot of people who get below 7. (*Raj, India, Master's graduate, International Business*)

For most of the student participants, however, the major challenge was the toughening of the skilled employment requirement. Two education professionals, Clinton and Katharine, noted that the government was pursuing a trend whereby former students would not be able to obtain permanent residence unless they found an employer willing to sponsor their application.

Katharine advised that some students should be prepared to pursue employment opportunities in regional areas if they wanted a better chance of obtaining permanent residence.

What the government now is trying to move towards is rather than just students graduate and apply for migration through the points system, they try to put more pressure on students to find employers [who will] sponsor them. *(Clinton, Manager, TAFE)*

Now they are trying to move to possibly that [students] are much better off if you get someone sponsoring you, wanting to employ you, although that has its own challenges, they are certainly moving towards that. Now policies are trying to encourage people to go to regions where often no one will go. That's where they can get a job, where Australians won't go. *(Katharine, Board Member, IEAA)*

Clearly every change to the skilled migration policy and practices presented a daunting challenge to international students, but Liang and Fang were more concerned about the 'capping and ceasing' agreement that was announced in early 2010. This agreement allowed the Minister for Immigration and Citizenship to cap the number of permanent residence visas awarded to a specific skilled occupation once the set number was reached. Although at the time of the interviews this agreement only applied to offshore skilled migration applications, the uncertainty and unpredictability that had arisen around Australia's immigration policy caused these students to fear that 'capping and ceasing' might become applicable to onshore applications as well.⁵⁵ Liang and Fang argued that this arrangement was unfair because it was based on 'first in, first served' rather than the applicant's capacity to contribute to the country's economy.

Some people were just lucky. Before the quota was met they got their PR approved. But for other people, who were not lucky, they might be a little bit behind, so the quota was met and the number has been cut. *(Liang, Singapore, Master's student, Property Management)*

It made me feel this was an injustice and not fair. For example, people who met the visa requirement but just because the cap was reached, they couldn't apply for that visa anymore. They have to look into another visa option. *(Fang, China, Master's graduate, Human Resource Management)*

⁵⁵ Their fear turned out to be true after the introduction of occupation ceilings in July 2012. There is now a limit on how many EOIs are selected for skilled migration from an occupation group. When the limit is reached, no further invitations for that particular occupation group will be issued for that programme year. Even a state or territory will not be able to nominate if the nominated occupation has reached its ceiling.

More than anything else, the majority of the research participants lamented the rapidity and magnitude of the changes which had been made to international education and skilled migration. Most of the student participants had found the policy changes that had taken place over the last few years confusing. Some education professionals were disconcerted by the extent and frequency of the changes to policy:

There have been too many [changes] to keep up with. There are always ongoing visa changes, changes to the migration policy; changes to trade recognition for Australia...there have been a lot in the last five or six years. (*Clinton, Manager, TAFE*)

The government has changed just about everything. They have changed the way they assess people, they changed all these categories, migration occupations in demand, critical skills list and the other SOL...they had so many lists. (*Katharine, Board Member, IEAA*)

6.3.2 What contributed to the policy changes?

Although the research participants had found the range of policy changes overwhelming, they appeared to have a good understanding of what had contributed to the changes that had occurred. Most education professionals also agreed that it had been necessary for the government to make some adjustments. In analysing the interview data, four categories of factors contributing to the policy changes emerged, and will be discussed in the following sub-sections. These categories are: migration-driven enrolments and unsatisfactory policy outcomes; power dynamics in the policy system; weakened economic environment; and unsettled political climate.

6.3.2.1 Migration-driven enrolments and unsatisfactory policy outcomes

As identified by the education professionals in this study, the study-migration pathway potentially encouraged migration-driven students to use education as a mechanism to gain permanent residence in Australia.

Students who have permanent residence in mind will go to a college...will not want to attend...will want to work so they could pay, and when the colleges have been too strict with them, they will then change colleges. (*Tia, International Education Business Consultant*)

As suggested by the above comment, such migration-driven students had often enrolled with private education providers because their training courses provided a faster and easier pathway to permanent residence. Max, a Dean in a university, perceived that some private education providers had seen 'a commercial opportunity in the link between study and PR'. Similar comments were made by other research participants:

The policy set up a lot of colleges, a lot of inexperienced colleges, so they then focused their marketing strategies on the MODL only. *(Tia, International Education Business Consultant)*

There was a lot of exploitation. There were a lot of fake courses. There were a lot of terrible things happening in the background; education institutions were just running courses that they were not qualified to do. *(Ashlee, Migration Agent)*

The often-heard criticism that migration-driven students strategically planned their study in order to obtain permanent residence, and often did not actually enter or remain in their nominated occupation was also cited.

What a lot of people did was they got their permanent residence then they leave, not working in that profession. So it wasn't really meeting the demand of the skilled migration programme. *(Ashlee, Migration Agent)*

To some extent, the student participants were also aware that the employment outcomes of former students who had already transitioned to permanent residence did not provide very strong evidence that international students were worthwhile skilled migrants.

They come here, work as a chef or hairdresser, and once they get their residency, they leave their occupation and go driving taxis or mining or wherever there is money. *(Raj, India, Master's graduate, International Business)*

It seemed that [there was] so much immigration of overseas students who don't have high quality English and that makes it very hard for them to work in Australia. Even if they got PR, they still can't get a very good job, they still work in labour jobs such as waitress or hairdresser. *(Qian, China, Master's student, Environmental Management)*

The student participants, therefore, understood the government's position and its need to reshape the policy setting linking study and migration.

With the previous policy the government was not getting what they presumed they would get. For example, students graduating with an accounting major have a fast track to PR, but many of them are not working in the accounting field. So at the

moment, Australia still has a shortage in the accounting field, they still need to outsource. Even though they give out a lot of PR, it doesn't really sort the fundamental problem. *(Fang, China, Master's graduate, Human Resource Management)*

6.3.2.2 Power dynamics in the policy system

Australia's policy setting linking study and migration involved a wide range of government institutions with different roles and responsibilities. For instance, as one education professional pointed out, dominant policy institutions had driven the policy setting linking study and migration largely for the purpose of revenue generation.

At that time, the government hadn't got it...they just kept measuring, and we [education providers] all got measured on how many [international] students we have, and we all reported how fantastic our growth was. *(Rose, International Education Consultant)*

Therefore, complex power dynamics were identified within three dimensions: between institutions at the federal level, between institutions at the federal and state level, and between policy actors. Some education professionals noted that because of the fragmentation in the policy making linking study and migration, many policy institutions at the federal level did not seem to operate in states of harmony or balance.

The education system doesn't approve visas, so we are not the ones who decide who can come in. We are just creating the opportunity, offering the courses and programmes. *(Rose, International Education Consultant)*

[Austrade] are as frustrated as the providers because they are out there promoting Australian education overseas, to bring in more students, yet other government departments are undermining that, and what they are doing as well. *(Clinton, Manager, TAFE)*

The change made to immigration policy is not driven by education. They thought it was a good idea because they get skilled workers, but I don't think they understand the international education sector. *(Tia, International Education Business Consultant)*

A similar situation was observed between policy institutions at different levels. The comment below illustrated the mutual recriminations of state and federal governments over the unintended consequences associated with the study-migration pathway.

It was the State government versus the Commonwealth government. The Commonwealth government said, 'We are responsible for migration', we all

pointed to them and said, 'It was your fault'. They would point to the State government and say 'You are responsible for regulation of the providers, so it was your fault'. And we got to this point where we were just pointing at each other; no one was willing to take leadership. *(Rose, International Education Consultant)*

In addition, there were also power dynamics in play between policy actors in the policy system. In particular, universities were more cultivated lobbyists than the VET sector institutions, as noted in the following comment:

Universities are traditionally the main organisations for international students in Australia. They are more strongly linked with the government than TAFE colleges, so they've got a very strong lobbying secretariat. Whereas if you look at the vocational education sector, we are a reasonably new industry in international education, so we haven't got the mechanism for lobbying. *(Clinton, Manager, TAFE)*

The suggestion was made that universities might have been a driving force behind the government's attempt to rectify the study-migration pathway. Clinton and Rose explained that the universities' exercise of influence over policy making was a result of their losing market share to the VET sector, while Max indicated that it also came from universities' concerns over the way private education providers operated.

The university sector in the last few years has lost some of their market share to the VET sector...we have been taking some of their business. So universities have been lobbying the federal government very hard to change some of these policies, and that brought the attention of the government to how a lot of private providers have gone bankrupt and affected international students. *(Clinton, Manager, TAFE)*

Among the university sector there has been some quite heavy lobbying of government to particularly make changes at the VET level, because essentially it was taking away some of the university markets. *(Rose, International Education Consultant)*

Universities supported changes that improved the quality of the VET sector and other private providers. That makes sure students who come here do focus on study, and consider permanent residence only as a possibility. *(Max, Dean, University)*

Apart from the universities and the VET sector, there were also other policy actors, such as interest groups who were influential in framing the government's skilled migration policy.

There are lobby groups, industry groups, who lobby government about the need for skilled labour, so they will tend to be the more prominent groups in the public arena in terms of influencing policy settings. *(Max, Dean, University)*

6.3.2.3 Weakened economic environment

In the wake of the global financial crisis in 2008, the Australian economy experienced diminished confidence in growth and employment. It was not a climate that favoured international students seeking jobs. Katharine indicated that changing labour market needs had prompted the government to make changes in response to the economic contraction.

[W]hen the economy was booming, everybody wanted more people with skills, so the Coalition government had a very proactive skilled migration policy, and the [Labor] government now had to change to fit the time, where there are fewer jobs. *(Katharine, Board Member, IEAA)*

As well, the research participants noted that the economic contraction seemed to exacerbate a negative perception towards international students seeking education and employment opportunities in Australia. The comments below reflected the tenor of such public sentiment:

If students from Asia or Europe get their degrees here and get good jobs, you would actually lose jobs for Australian people, so there would be conflict. We have a slack job market right now, and still international people are getting jobs that should be Australians'. *(Katy, Finland, Bachelor student, Business)*

The perception is when overseas students come to Australia they are taking the places of domestic students. This is still a very common perception. And I assume there is also a perception that when overseas students come and obtain permanent residence, they are taking jobs away from other Australians. *(Max, Dean, University)*

It has become a political situation, and politics in my view is not always based on how factual the reality is, but based on people's emotions. *(Clinton, Manager, TAFE)*

6.3.2.4 Unsettled political climate

Finally, there was an unsettled political climate in Australia at the time of data collection. Mounting concern about the steady arrival of large numbers of asylum seekers overshadowed the attention being given to students in the immigration system, although both issues featured in the larger debate about immigration.

The department [of Immigration] has been very stretched with all the boatpeople. There is a whole range of issues that actually have nothing to do with skilled migrants. *(Katharine, Board Member, IEAA)*

Concerns about the boatpeople coming in were quite minimal, but it's very emotional for a lot of Australians. International students got mixed up in the whole immigration debate. *(Clinton, Manager, TAFE)*

Immigration was a major focus of the campaigns leading up to the federal election in 2010, and it appeared that the development of policies linking study and migration had become incompatible with debate which appropriated concerns about population growth. In this politically sensitive environment, skilled migration policy was submerged in the issue of immigration as whole, and confused the issue of international education.

You look at the federal election, it was all about stopping refugees; it wasn't about sustaining Australia in the long run. When you look at the population demographics, without skilled migrants we can't sustain the growth we have been having. But politicians stay away from that because it's not a friendly policy, it's not a good election year to talk about issues like that. *(Tia, International Education Business Consultant)*

The population debate should not be mixed up with education debate in the way it was during the election. It's very unfortunate and it sometimes really has nothing to do with population, more to do with infrastructure or the lack of it, and things like that. The discussion was very damaging for international education during the election. *(Katharine, Board Member, IEAA)*

These four contributing factors indicated that changing policy environment had led the then Labor government to rectify the policy setting linking study and migration.

6.3.3 How were the policy changes implemented?

The majority of the education professionals recognised the imperative of toughening the study-migration pathway for various reasons, but did not consider that the implementation took into account the interconnection between international education and skilled migration. Many changes were driven by the government's response to political pressure.

Politics dictated fairly clumsy responses, without being thought through. Something needed to be done in a hurry...they were responding to public pressure that the government needed to be seen doing something to clean up the industry, to break the link between [study and] immigration. *(Max, Dean, University)*

The expectations of the education professionals were disappointed in the way that the changes were carried out:

The government needs to be a little bit more sophisticated in what it does, have a little more coherence about it and recognise that you can't just treat each market the same way. *(Max, Dean, University)*

It is one thing to have policy changes, it is another thing to have the transitional period, and there has been no transitional period. It's been very much a knee-jerk reaction. *(Tia, International Education Business Consultant)*

Unfortunately the government is doing what government does, which is making a knee-jerk reaction to something without understanding how it works and how it can affect individual students, institutions, and the country. *(Rose, International Education Consultant)*

6.3.4 Would there be further policy changes?

When asked to anticipate whether there would be further changes to the policy setting linking study and migration, responses from the research participants were unanimously affirmative.

[The link] is a very much politicised issue in Australia, therefore the policy setting is always potentially tainted, but I can always bet my house on that there will be a change. *(Max, Dean, University)*

Most of the educational professionals believed that policy development would be influenced by the political process as well as the economic climate.

I guess everybody is waiting to see what the new Minister for Immigration will do, because he has just been appointed [in September 2010]. It also depends on how the economy goes, what employment does, as to whether there are going to be more job opportunities so they can gradually increase the skill quota again. It's a bit uncertain at the moment. *(Katharine, Board Member, IEAA)*

There was some optimism about policy development, and anticipation of the policy setting being slightly relaxed in the coming months. For example, Max believed that 'we will probably see refinement of some sort...maybe expansion of the occupation [list]'. Nevertheless, a common feeling among the education professionals was that Australia would not completely restrict the study-migration pathway, recognising that were the possibility of migration removed, Australia's attractiveness as a study destination might be undermined. They believed there was a strong economic argument for Australia to maintain the policy link between international education and skilled migration.

If we didn't have the [study-migration] link, there wouldn't even be a five billion dollar industry. We just wouldn't compete...if Canada, UK, New Zealand and Australia, for example, all stop offering the policy link, then it would be a different story. But if we stop offering it, and Canada continues to, then we will see a

directly increasing number of applicants to Canada. *(Rose, International Education Consultant)*

The importance of linking international education and skilled migration in a more orderly and sophisticated way, however, was emphasised:

We need to realise we are talking about two different things. The problem at the moment is that the government has connected them...when we can deal with the quality of providers, we will be able to go back to skill shortages and net growth. *(Rose, International Education Consultant)*

6.4 Aftermath of the policy changes

Because of the rapidity and magnitude of the policy changes, their implications were felt pervasively. This section identifies the impacts and implications of the policy changes. Since international students and education professionals were most directly affected, they were asked to describe the impacts of policy change for international students (6.4.1), and if they saw implications for other policy actors in the policy system (6.4.2). At the end of the section, the research participants were asked to give their reflections on the challenges and opportunities stemming from the policy changes (6.4.3).

6.4.1 Immediate impacts on international students

In the early 2000s, international students were virtually guaranteed permanent residence if they completed an eligible education course in Australia; a very different set of circumstances applied for the student participants in this study:

I remember a few years ago you just had to complete your studies then you could straightaway apply for permanent residence, so it was very easy and then they changed it. They started giving an 18 months' visa, saying that you had time to fulfil other requirements and now they are changing the skills assessment so you've got to go through the Job Ready Program, it's much harder now. *(Ashlee, Migration Agent)*

With the exception of two student participants, who had already been through the application process, the majority had not yet completed their studies. Nevertheless, they had developed an interest in applying for permanent residence and had looked seriously into the details of the skilled migration policy. With the new difficulties of meeting the skilled migration criteria, they

experienced confusion and doubt about whether it was still possible for them to obtain permanent residence on completion of their studies:

You go through all the paperwork, what options you have and you see opportunities, but when everything changes, you start thinking 'Okay, how is it going to affect me? What do I have to do to be able to apply for permanent residence?' People are getting confused. *(Katy, Finland, Bachelor student, Business)*

The education professionals understood students' frustration, particularly in those cases where permanent residence had been part of their plans for the future:

If students are going to plan for two or three years, they like to know once they invest their commitment they can work through and have the outcome they invested in. *(Katharine, Board Member, IEAA)*

The changes to policy therefore had profound impacts on those international students expecting to obtain permanent residence after study.

There are a lot unhappy people because of the way the government changed [the policy setting], and it's very unfortunate for those students who came with a certain expectation that now is nowhere to be met. *(Katharine, Board Member, IEAA)*

We have stories of students, in depression and not wanting to call their family to let them know what's happening because they felt so ashamed about not being able to meet the expectations of their family. *(Rose, International Education Consultant)*

6.4.2 Beyond the immediate impacts

Most research participants, particularly the education professionals, with their wider view of how the policy setting worked, acknowledged that over the past decade the development of Australia's international education industry had been driven by international students seeking permanent residence. As a result, there were concerns that the policy changes would undermine Australia's attractiveness as a study destination.

Australia is now considered to be more difficult to get permanent residence, so students will look for the next easiest country and try to build their life there. I heard that Canada is relatively relaxed in their rules; now the more Australia tightens its rules, the more Canada will be attractive to people. *(Neil, Nigeria, Master's graduate, Accounting)*

If it didn't lead to permanent residence, people would be studying in their home countries or go to other countries that are cheaper but still English-speaking, and study there rather than coming all the way to Australia. *(Ashlee, Migration Agent)*

It was particularly when Australia was progressively tightening its study-migration pathway that other study destinations appeared to have retained a friendlier policy approach towards international students seeking permanent residence in their country. The difference in the approaches of Australia and its competitors may have benefited other study destinations such as Canada and New Zealand in the recruitment of international students.

The frequent changing of rules had created a level of uncertainty where students now just choose another country rather than coming to Australia, choosing New Zealand, UK or Canada rather than coming to Australia, and other countries have taken up the opportunity as well to allow students to stay on and work, to increase skilled migration numbers. *(Katharine, Board Member, IEAA)*

New Zealand has definitely benefited because they have gained a competitive advantage. So students aren't coming to Australia, a lot of them are going to New Zealand...I don't know whether we lost our competitive advantage to Canada, UK or America, but they definitely have benefited. *(Tia, International Education Business Consultant)*

Alongside the weakened link between international education and skilled migration that had served to deter prospective international students from choosing Australia, it was perceived that the inconsistent and unpredictable policy setting might have had an even greater impact on Australia's potential to recruit international students.

Every time we make changes we actually are sending a message to a global market of three million students travelling around the world, plus parents and agents, that we basically don't want students. *(Rose, International Education Consultant)*

It's certainly been a disadvantage for the recruitment of international students, not because everybody wanted to stay; that's not the point. It's the climate around unwelcomeness that developed so students don't feel welcomed. *(Katharine, Board Member, IEAA)*

In the interviews, the education professionals expressed their concerns over the decline in international student numbers in 2009/10, which was more apparent in the ELICOS and VET sectors than in the university sector.

The ELICOS number was down considerably, our number in the vocational education sector down considerably, even in universities the number was down as well. *(Clinton, Manager, TAFE)*

They further stated that if the number of international students studying in Australia continued to decline, the potential impact on Australia's international education could be damaging to the local economy.

If there is a drop in the number of international students, the ripple effect to the community is actually more significant than people realise...it actually has a very wide ripple effect on people's jobs...even though it's not necessarily obvious to them, we are talking about thousands and thousands of jobs if the number drops too much. *(Katharine, Board Member, IEAA)*

People will lose jobs, administration staff will lose jobs. And if you look at the bigger picture, it also impacts the retailing industry, where students spend their money, the housing industry, where they pay rent for somewhere to live, everything; I mean it will trigger all things economic. *(Ada, Administrator, State College)*

6.4.3 Challenges and opportunities

As to the fall in international student numbers, the research participants did not necessarily agree that the changes to policy alone were responsible, but rather that a convergence of various factors had contributed to this effect.

In the media there were a lot of reports about the perfect storm, because we had the global financial crisis, we had the quality issue with the colleges, we had the safety issue with the colleges, and we had the migration changes. It was just like everything hitting us all at once. *(Rose, International Education Consultant)*

Nor could the impact of the stronger Australian dollar be discounted:

There has been a general decline in numbers coming from overseas, but not just these changes and requirements...there is also the high Australian dollar, we shouldn't discount that [as] a major factor. *(Max, Dean, University)*

From an historical perspective, it was felt that the policy institutions and policy actors in the policy system all should bear some responsibility for its present state, in that it had paid insufficient attention to particular issues:

I certainly didn't know that [the GFC] was going to happen, but student safety was getting quite obvious. We knew that we have a large number of students who were travelling late at night and living in unsafe areas. We knew there was a problem about the quality of colleges. We knew there were colleges that were getting visas approved who didn't even have approval to offer students, so for some of the stuff we've got ourselves to blame. *(Rose, International Education Consultant)*

While there was a concern that Australia has lost some of its appeal as a study destination because of changes to the policy setting linking study and migration, its position in the global market appeared to have remained strong.

Some students will come, students who are purely seeking an international education experience, and there are still a lot of those; I don't think we should completely write that off. *(Rose, International Education Consultant)*

6.5 Summary

This chapter confirmed the close connection between international education and student migration in the context of Australia. It found that while the possibility of migration was not the driving factor for the majority of the student participants to study in Australia, the idea had subsequently become attractive. The interest that international students had developed in applying for permanent residence, and their subsequent motivation, was encouraged by the available study-migration pathway and the undisputed advantage that former students had enjoyed in the skilled migration selection. However, a series of major changes to the policy setting linking study and migration since 2008 and concomitant policy changes had considerably hindered international students' transition to permanent residence.

As the development in Australia's international education industry had been largely driven by the study-migration pathway and international students seeking permanent residence, the policy changes had a profound impact. A considerable number of overseas students, who had commenced their studies in Australia with the expectation that they would apply for permanent residence after completion of study, found they were no longer eligible for skilled migration as a result of the changes. Moreover, the policy changes unavoidably affected other policy actors in the policy system, as well as Australia's international education industry.

Chapter 7 Findings – New Zealand

The preceding chapter found that Australia's study-migration pathway was complex in nature and had undergone a series of major changes since 2008. These changes considerably hindered international students' transition to permanent residence and also affected other policy actors in the policy system. The aim of this chapter is to present the findings from the interviews undertaken in Auckland, New Zealand in May and November 2010. The findings are categorised into themes corresponding to those in the Australian context, and extracts of interviews are also presented where appropriate.

This chapter is divided into five sections. Section 7.1 identifies that three student participants came to study in New Zealand because they wanted to immigrate, while almost half of the student participants had transitioned to permanent residence, although it had not been the driving factor of their choosing New Zealand. Section 7.2 reports that New Zealand's policy setting has effectively assisted former students to transition to permanent residence, despite the still predominant dependence of transition on having a job offer or skilled employment. It also discusses the increasing difficulty of transition for international students as a result of New Zealand's economic slowdown. Section 7.3 determines that New Zealand's policy setting has maintained relatively stability because the government has not perceived any significant consequences associated with the policy setting. Section 7.4 outlines the impacts and implications of policy changes, which were comparably minor in New Zealand, for international students and other policy actors in the policy system. It also shows how Australia's policy changes might have worked to New Zealand's advantage in the recruitment of international students. Section 7.5 provides a summary of the chapter.

7.1 International education and student migration

This section identifies the connection between international education and student migration by examining the student participants' decision-making towards studying and obtaining permanent residence in New Zealand. The findings are divided into the following sub-sections:

- Did international students study for the purpose of immigration (7.1.1)?
- What attracted them to study in New Zealand (7.1.2)?
- Are international students interested in obtaining permanent residence (7.1.3)? and if so,
- What motivated international students' decisions to obtain permanent residence in New Zealand (7.1.4)?

7.1.1 Did international students study for the purpose of immigration?

Of the eight education professionals, two perceived that studying in New Zealand had been, for some students, the first step of a migration plan. One education professional affirmed that the possibility of obtaining permanent residence provided international students with a strong incentive to study in New Zealand.

One of the big drivers for international students to come to New Zealand is immigration. There are advantages for students to come to study to get qualifications, which gives them points for immigration purposes...for New Zealand that has been an attraction for many international students from certain areas, particularly India and Asia generally. They want residency. (*Nathan, PVC, University*)

Another, Sharron, who worked as a Chinese student advisor, recalled her astonishment when she discovered the intention of Chinese students to migrate, in a Chinese online survey.

I remember there were surveys online [Skykiwi⁵⁶] asking students why they came to New Zealand and they said 'immigration policy'. I was so surprised, I thought they came for qualification; that should be the first factor but immigration policy was the first factor. They think it's the most influential factor that affected their choice. (*Sharron, Chinese Student Advisor, University*)

Moreover, three student participants frankly disclosed their intention and determination to obtain permanent residence from the outset:

The way they presented New Zealand in India, they told us that getting PR was very easy. But then after coming here, we got to know that we needed to struggle a bit. We made up our mind that if we are not finding the situation as planned, we will struggle like anything just to get our PR, by hook or by crook or by anything. (*Tanya, India, Postgraduate Diploma student, Accounting*)

⁵⁶ Skykiwi.com claims to be the biggest Chinese website in New Zealand.

Of the other two student participants, Makoto came from Japan, where his parents owned a *yakitoriya*⁵⁷ in Osaka. Although he had some years of skilled cooking experience, he was ineligible for skilled migration because he did not have an adequate educational qualification. Therefore, he enrolled with a private education provider and completed his Diploma in Cookery two years ago. At the time of his interview, Makoto had already received his ITA and was waiting for his permanent residence application to be finalised.

On the other hand, another Japanese student Emiko was yet to complete her Diploma in Landscape Design (due early 2011), but was already planning to apply for permanent residence then. In fact, Emiko had been advised by a migration agent that enrolling in this particular training course could help achieve her migration goal:

I didn't have an appropriate educational background or work experience, but I was interested in horticulture and landscape. So my agent advised the best way for me [to get PR] was to attend courses, graduate, find a job then apply for permanent residence. (*Emiko, Japan, Diploma student, Landscape Design*)

The other nine student participants emphasised that they did not come to New Zealand to study because they wanted to immigrate. As the oldest student participant in this study, Hiroshi was over 40 years old at the time of his interview. He understood that because of his age New Zealand might be the only country which would potentially accept him as a skilled migrant, but that was not a critical factor in his decision to study in New Zealand.

Frankly speaking, I also thought about the option of immigration after graduation. I checked immigration policy in UK, US, Canada and New Zealand. Because I am not young, the only chance where I thought I could get a permanent visa was New Zealand. But it was a very small factor. (*Hiroshi, Japan, PhD student, Education*)

Four student participants were sent to New Zealand by their parents after completing high school. Commencing their overseas study at a relatively young age, these students did not plan to immigrate to New Zealand, nor did their parents expect them to do so. Even though three of the four did subsequently obtain permanent residence, it was of little importance when they first arrived to study. The feeling was that while there may be some international students who had selected New Zealand as a pretext for migration, generally this was not the main attraction for the majority of who had come here to study.

⁵⁷ Traditional small Japanese restaurant that sells grilled skewered chicken.

A lot of students don't just come and think about getting permanent residence here. Sometimes it isn't their main purpose, and a lot of time after they arrived they realised [they could apply for residence]. It's like chicken and egg in a way; I don't think PR comes before education. It is almost like once you decide you want to study here, then you realise the policy is there. (*LiLi, China, Bachelor's graduate, Social Sciences*)

7.1.2 What attracted international students to New Zealand?

When asked whether New Zealand was their first choice of study destination, six student participants immediately responded in the negative, and said they would have preferred the United States, the United Kingdom, Australia or Canada. Two came to New Zealand after their visa applications were rejected by their country of first choice.

The first country [my parents] applied for me was Canada, but Canada rejected my visa application, then they decided to send me to New Zealand instead. (*Bo, China, Bachelor's graduate, Information Technology*)

[My mother] applied for me to go to Australia initially, but they refused my student visa, so my mum said that must mean that if Australia closes the door, then there is another window open in New Zealand. So that's how I ended up here. (*LiLi, China, Bachelor's graduate, Social Sciences*)

Hamid came to New Zealand accompanying his wife, whose doctoral study was financially sponsored by the Pakistani government:

Of course I would go to universities in the UK because they are highly recognised through the world. New Zealand is a country that nobody knows about, although it is a good country, peaceful and comfortable to live, but most of people think that it is in the corner of the earth. It is recognised in Western countries, but if you go Asia, the Middle East or some other countries, it wouldn't be regarded as much as other countries' education. (*Hamid, Pakistan, Master's student, Management*)

With respect to New Zealand's attractiveness as a study destination, most student participants stated more than one reason. The most common reason, however, related to financial considerations and the affordability of New Zealand in particular:

I was searching on the internet and I found the New Zealand government started to allow international PhD students to pay the same fee as domestic students. I never thought about New Zealand before, but New Zealand is also an English-speaking country...so I started looking for options in New Zealand. The cost factor was probably the biggest one. (*Hiroshi, Japan, PhD student, Education*)

If not for the economic consideration, I must confess New Zealand wouldn't be my option, like I said New Zealand is too far away. Even in my country, when I told people I am studying in New Zealand, they were like 'Where is that place?' It's like the end of the world. *(Hugh, Nigeria, PhD student, Business Informational Technology)*

Although three student participants identified Australia as being similarly cost-competitive, they considered New Zealand more attractive because it was relatively flexible in terms of student visa regulations and immigration requirements, particularly because in New Zealand the English language (IELTS) stricture was not imposed for student visas.

Although Australia required about the same amount [of tuition fees], they required IELTS score for visa application, so I came over here to learn language first. I didn't need to have the IELTS score to come to New Zealand. *(Bo, China, Bachelor's graduate, Information Technology)*

Leaving aside the financial and immigration considerations, five student participants found New Zealand appealing as a study destination because it enjoyed a good reputation environmentally, and as a safe country in which to study.

New Zealand really succeeded to spread a good image around the world, especially among Japanese people. They think New Zealand is very beautiful and has a good natural environment. *(Hiroshi, Japan, PhD student, Education)*

It would be great for me to go to the United States, but [my mother] has never been there before and she assumed there is a lot of violence, guns here and there. *(LiLi, China, Bachelor's graduate, Social Sciences)*

Furthermore, proactive policies relating to international students' work rights had strengthened New Zealand's attractiveness as a study destination. Alongside the possibility of migration, which had been identified by the student participants as attractive, more than half of the student participants indicated that the ability to work while they were studying was an essential element in their choosing New Zealand.

Although our financial situation was not too bad, my parents wanted me not to just spend their money, but also work to cover my living expenses. And it gave me an opportunity to test myself. Like Canada didn't allow international students to work part-time [at the time], that was another reason I wasn't really keen to go there. *(Bo, China, Bachelor's graduate, Information Technology)*

We are from a developing economy, and it's a privilege not only to study in a developed economy but also to stay to work and get some experiences. *(Hugh, Nigeria, PhD student, Business Informational Technology)*

Similarly, a policy of allowing the partners of international students to work legally in New Zealand was a drawcard.

I am just newly married, so I really love this country. [I am] spending quality time with my husband, and moreover two weeks after arriving here, luckily my husband got a job already. *(Tanya, India, Postgraduate Diploma student, Accounting)*

Giving a working visa to your spouse is very generous, and sometimes it's important for some people to decide whether they will come here or not. *(Hiroshi, Japan, PhD student, Education)*

Moreover, the policy initiative towards doctoral students was seen to have greatly improved New Zealand's attractiveness to this particular cohort:

I don't have children, but my friend Fu is doing a PhD; New Zealand allows his children to go to school as domestic students, so that is a very generous policy too. *(Hiroshi, Japan, PhD student, Education)*

7.1.3 Are international students interested in permanent residence?

Three student participants in this study indicated that their study in New Zealand was primarily motivated by the possibility of obtaining permanent residence. Nevertheless, it was also found that not everyone had been motivated to apply for permanent residence and furthermore, some were still undecided after some years studying here. Even with his wife's financial sponsorship by the Pakistani government, Hamid was eligible to apply for permanent residence, yet they were still undecided about applying for skilled migration. After seven years of study in New Zealand, Jackie, from Hong Kong, had no intention to remain there even though two of his family members had already obtained permanent residence and citizenship.

In the case of Chinese students, a reverse flow of students attracted by the fast developing economy and attractive employment opportunities in China was observed:

I have been here for nine years, and about five years ago lots of students would like to stay, or would like to get permanent residence. But now a lot of students want to go back directly so not as many students right now want to get permanent residence. *(Sharron, Chinese Student Advisor, University)*

Mixed attitudes towards the attainment of permanent residence were found in the student participants. However, given that five student participants out of 12 had already transitioned to

permanent residence by the time of the interviews, it indicated a close connection between international education and student migration.

7.1.4 What motivated international students' decisions to immigrate?

To understand their aspirations about permanent residence, I asked the five student participants who had transitioned to permanent residence what had motivated them to apply for skilled migration. It was apparent that the majority of them began to consider migration after they became aware that overseas students could apply for and obtain permanent residence in accordance with the policy setting linking study and migration. After seeing many other international students transitioning to permanent residence through the same pathway, it seemed a logical step for them to follow it through and apply for permanent residence.

Simply, when I graduated my major was on the shortage list, so I applied for residency. *(Bo, China, Bachelor's graduate, Information Technology)*

After I came here, I saw many of my friends applied for permanent residence and got it. Before that, immigrating to another country was just a dream for me. But after I came here I realised it could be a reality. *(Hiroshi, Japan, PhD student, Education)*

LiLi decided to stay on because she established a sense of belonging during the time she had spent in New Zealand, in addition to the fact that she had partnered with a New Zealander. From another perspective, Bo sensed that during the time he had spent in New Zealand, China had become an unfamiliar environment with which he had little connection:

If you decide to go back, you have to start from scratch. Everything like networks you have to start from zero. If you want to set up a business or find a job, you even don't have friends to introduce you. If you don't have friends or connections, it is difficult to find a job there. *(Bo, China, Bachelor's graduate, Information Technology)*

Interestingly, two Chinese students considered that having permanent residence would bring greater significance to their families back home than merely completing a New Zealand qualification, reinforcing the observation that New Zealand was not the first choice of study destination for many Chinese students, and suggesting that a New Zealand qualification was not considered very highly in China.

To put it bluntly, it is not a big deal if you have a New Zealand qualification. There are many people coming back to China with an overseas qualification, so it is not impressive if you have a New Zealand qualification. But if you come home with New Zealand PR, it will be a different story. *(Xia, China, Bachelor's graduate, Accounting)*

To my parents, PR is some kind of confirmation because they spent a lot of money to send me here to study. You got a qualification, found a job, and it is even better if you have PR. *(Bo, China, Bachelor's graduate, Information Technology)*

More importantly, the majority of the student participants hoped to improve their lives, whether because of dire economic or political situations in their home countries or the lack of opportunities available there.

When you live in a country where there is civil war, where terrorism is so much, where poverty is what you see every day, or your currency just has no value, then you come to a country where those things are very different from what you used to have back home, you want to stay. And everyone loves security, everyone loves money, everybody loves prosperity, so when you come to this kind of place, [wanting to stay] is just normal. *(Hugh, Nigeria, PhD student, Business Informational Technology)*

The standard of living is quite high in New Zealand. We think for India to reach this standard of living, which is right ahead at this point of time, it will still need 10 to 15 years. *(Tanya, India, Postgraduate Diploma student, Accounting)*

More often than not, the student participants nominated economic incentives in their decisions to obtain permanent residence in New Zealand, particularly in the sense of achieving financial liberation. Alongside such attractions as New Zealand's established social service system and subsidised education, the following comments were typical:

There are lots of scholarships on the scholarship website for New Zealand permanent residents and citizens, so it means definitely I will get a scholarship [if I were a PR]. If I don't get a scholarship, StudyLink will pay my fees, all I have to do is get a job after study then pay StudyLink back. *(Hugh, Nigeria, PhD student, Business Informational Technology)*

Wages in China are not high. How long would it take to earn the money you spent in New Zealand over the years? So considering the wage differences, it made sense to stay on and work in New Zealand. *(Bo, China, Bachelor's graduate, Information Technology)*

On the other hand, Hiroshi wanted to remain in New Zealand so that he and his wife could have an improved quality of life, a better lifestyle.

In Japan people are very busy; many people work from early morning to late at night. But in New Zealand they have a different lifestyle, they put family first and they spend time with family during the weekend, that kind of quality lifestyle attracts Japanese people. *(Hiroshi, Japan, PhD student, Education)*

Two student participants were explicit in their view that attaining permanent residence was only the first step towards New Zealand citizenship. It appeared that obtaining a New Zealand passport was a relatively important goal for the student participants who desired greater mobility in the West.

That is one of the major reasons why people like us want not only to hold a passport of Nigeria, but also a passport from a developed country. It really provides us with an opportunity to travel anywhere we want. *(Hugh, Nigeria, PhD student, Business Informational Technology)*

The majority of the student participants recognised that New Zealand citizenship could be used as a stepping-stone to another country, usually Australia. Since citizens of New Zealand and Australia were able to move freely between two countries, the potential to live in Australia could be a strong incentive for obtaining permanent residence or citizenship in New Zealand.

My [Indian] colleagues think it is much easier to get residency in New Zealand than any other country. Once they get residency they will not stay here, they will go to Australia or other places. *(Benita, Taiwan, Graduate Diploma graduate, Hospitality Management)*

Many of my friends have already moved to Australia. Australia is close to New Zealand, and with a New Zealand passport you don't have to apply for a visa. It is very convenient, and the average wage is higher in Australia, also the quality of life is better. *(Roslyn, Taiwan, Bachelor's graduate, Commerce)*

One education professional, Nathan, had just obtained permanent residence himself as a skilled migrant not long before his interview. He considered the ability to live in Australia might even encourage people to obtain eligible status in New Zealand with the intention of subsequently moving to Australia.

We do have an interesting situation when New Zealand is lagging behind Australia, and it looks like a lot of students come here as a backdoor into Australia. [Australia] is where they really want to go in the end. *(Nathan, PVC, University)*

Two education professionals noted that sometimes international students might want permanent residence as an 'insurance policy', although this perception was not directly confirmed by the student participants.

I understand some students, although not intending to live here, see having permanent residence as something that would be useful. If they want to get out of their country, it might be advantageous to be able to live somewhere else. So they may not live here immediately, but have that in reserve should they need it. *(Nathan, PVC, University)*

It gives them the ability to stay in New Zealand longer if they want to. For those who do have a long-term plan, they maybe stay in New Zealand for five years as part of that, having New Zealand experience and so on, but I don't know if it's necessarily the end goal. *(Aaron, Researcher, International Students and Foreign Policy)*

Of the 12 student participants, three had been attracted to study in New Zealand by the possibility of migration; although this had not figured in the intentions of the majority, five had subsequently transitioned to permanent residence. Alongside many intrinsic motivations, it appeared that most student participants' decisions to apply for permanent residence had been encouraged by the policy setting linking study and migration in New Zealand.

7.2 Two-step migration

This section examines the policy setting linking study and migration in New Zealand. The findings are divided into the following sub-sections:

- Reflections on the policy setting (7.2.1)
- Transitioning from study to permanent residence (7.2.2)
- Difficulties in obtaining permanent residence through the policy setting (7.2.3)

7.2.1 Reflections on the policy setting

The education professionals in this study affirmed the policy setting linking study and migration, agreeing that there were good reasons to expect that international students who had been studying in the country would comfortably integrate with the local community.

In many ways it will be more sensible for us to take on our university graduates than to get fresh migrants from outside the country. Because people are already

acculturated to New Zealand society...they know the culture better so will be more likely to fit in. *(Colin, Career Advisor, University)*

There were also economic arguments for retaining young international students as prospective skilled migrants, as typified in the following comments:

New Zealand is entering an ageing society and the economy is not quite strong. They want young people. They want to attract young people to work and to enhance the capability of the economy. *(Sharron, Chinese Student Advisor, University)*

I suppose there is value in having people who have been trained in New Zealand to work in New Zealand...and I suppose it would mean that we fill some of our labour force needs at the expense of students rather than the government. *(Nathan, PVC, University)*

In addition, the policy setting was a good way to sell educational services because it provided international students with a New Zealand qualification that was recognised in the skilled migration selection. In this way, the policy setting benefited education providers in recruiting prospective international students.

All of these various aspects of immigration prospects are very attractive to international students and very much appreciated by them, that's why they are here. *(Hillary, Director, University)*

It was introduced for students to come and spend money here, gain a New Zealand qualification and then try to settle down and get jobs here, to give them an opportunity whether or not they want to settle down here. *(Erika, Migration Agent)*

There was, however, a potential drawback to the policy setting that motivated students to study with the overriding purpose of immigration.

These students are mainly in the private training sector, where they can do diploma level programmes and obtain New Zealand permanent residence, what they call the VET sector in Australia. PR is definitely what students are wanting. *(Hillary, Director, University)*

If they are here just to get immigration, there is a concern that they may not be the most committed students, and they may not work as hard as they might, because all they need is a qualification. *(Nathan, PVC, University)*

From the perspective of the student participants, New Zealand needed this policy setting to retain international students as skilled migrants; otherwise it would not be able to support its population growth and to replace the talent it lost to Australia.

Many New Zealand people decide to go to Australia, so someone has to fill the gap. Immigration is very important for New Zealand and the New Zealand government thinks international students are the kind of human capital they really need. They have skills, they have experience here, and they are ready to work. *(Hiroshi, Japan, PhD student, Education)*

As a small country with a limited competitive edge, New Zealand had to have more proactive policies to compete in the international education market:

Compared with UK, US or Australia, the reputation of New Zealand education isn't very high, so why would people come here to study not going there? It's like what my Indian friend said, he came to New Zealand simply because it's easier to get permanent residence. *(Benita, Taiwan, Graduate Diploma graduate, Hospitality Management)*

The New Zealand dollar is so strong now, if you are going to spend the same amount of money to study, you would prefer a bigger country, so you won't choose New Zealand. Without good policies, New Zealand will not attract international students. *(Xia, China, Bachelor's graduate, Accounting)*

Even though the policy setting theoretically provided international students with a pathway to permanent residence, the essential requirement to find skilled employment meant that the policy setting did not exclusively favour international students in the skilled migration selection.

[The policy] doesn't favour them...so if they don't get a job, it is not going to lead to residency. They can stay, they can look for a job, but if they can't get a job they are not going to get residency. *(Hillary, Director, University)*

Most of these programmes are not considered as favouring them in terms of their residency application...they not only need a qualification, but they also have to find a job related to their qualification. *(Darren, Director, PTE)*

7.2.2 Transitioning from study to permanent residence

Like Australia, New Zealand's transition mechanism was also widely utilised by the student participants to transition from student to worker, and then to permanent resident.

[Graduate student work permits] allow students to stay on. The shift made it easy for them to get permanent residence. *(Aaron, Researcher, International Students and Foreign Policy)*

Of the five student participants who had obtained permanent residence, four had been working for a number of years before they were granted permanent residence. It appeared that the skilled migration selection process continued to favour applicants with a job offer or current employment in New Zealand; and this was believed to be an equitable policy.

The policy is reasonable in New Zealand...as long as you have a job they won't reject you. After all they need workforce; if you have a job it means that you have the ability to stay here, and you can contribute to the society. *(Bo, China, Bachelor's graduate, Information Technology)*

Knowing that having an employment or job offer would determine the outcome of her skilled migration application, Tanya was already committed to finding a job in the accounting field even though she had only been studying in New Zealand for three months at the time of her interview.

Without a job there is no meaning, because everything relies, my PR, relies on my job. *(Tanya, India, Postgraduate Diploma student, Accounting)*

7.2.3 Difficulties in obtaining permanent residence

Given that almost half of the student participants had already transitioned to permanent residence, the policy setting linking study and migration appeared to be effective in assisting international students to obtain permanent residence in New Zealand. While the transition from study to work and residency might appear straightforward in theory, in practice it was not so easy for former students to find a job in their field of study.

Even Kiwi students...maybe 40% or even less are doing something in their field...then the government makes it compulsory for international students to work in the field they studied, which is quite hard. *(LiLi, China, Bachelor's graduate, Social Sciences)*

When you apply for permanent residence, you need to get a job offer first. I believe the government actually put that there because they know that the jobs out there are actually very difficult for an international person to get, so for you to secure a job and bring the job offer to the immigration office to apply for PR, it means that you must be really needed. *(Hugh, Nigeria, PhD student, Business Information Technology)*

Although holding local qualifications was an aid to gaining employment, the student participants found their competitiveness was often compromised by their temporary status, reportedly resulting in unequal treatment in the job market. The lack of permanent residence was given as the most common barrier to students getting a local job.

As soon as they heard I haven't got permanent residence, a lot of places just said 'Sorry we can't' or 'Apply again when you have permanent residence', even though on their job advertisement they didn't mention anything about that. *(LiLi, China, Bachelor's graduate, Social Sciences)*

Employers out there still prefer to employ a citizen than an international student, except those hospitality jobs, those restaurant jobs. While professional jobs, real big jobs...they are very difficult, very, very difficult to get. *(Hugh, Nigeria, PhD student, Business Informational Technology)*

LiLi perceived that local employers' hesitation in engaging job applicants without permanent status was not racial, but rather conditional.

Maybe they don't want to go through the trouble of immigration or to deal with a lot of paperwork. Or they think people who don't have permanent residence tend to leave the country soon...I don't think discrimination was a reason for them not employing Asians, but maybe they are worried about the language barrier, difficult to communicate, or maybe they are not open to other cultures. *(LiLi, China, Bachelor's graduate, Social Sciences)*

However, an academic manager for a private education provider, 97 percent of whose enrolment (of 500 students) comprised of international students, observed that other forms of discrimination also existed in the employment market:

Unless the whole country turns around, and employers are more accepting of [international students] without any discrimination and giving them equal opportunities, then this will be good. At the moment in some areas discrimination is still around and equal opportunity is not really happening. *(Darren, Director, PTE)*

Meanwhile, two student participants pointed out that the increasing number of international students studying in New Zealand, particularly in Auckland, had intensified the competition for skilled employment.

New Zealand isn't a big market and there are students in huge quantity. *(Hamid, Pakistan, Master's student, Management)*

You can't imagine the number of international students they are getting. It has broken all the records; India itself has broken all the records, and China is also one

market, so I don't know what kind of competition they are getting. But since it's a small country, it's really difficult to get a job here. *(Tanya, India, Postgraduate Diploma student, Accounting)*

Employment conditions became even more difficult for international students who had completed their studies after 2008, in the wake of New Zealand's economic slowdown.

Remember they introduced [the graduate visa] before the recession, when we had full employment, tight labour market and we needed the skills. None of those factors exist now. *(Aaron, Researcher, International Students and Foreign Policy)*

During the global economic crisis, even local people couldn't find jobs, so for those students, whose first language is not English and who don't have work experience, it's not easy for them to find a job. *(Sharron, Chinese Student Advisor, University)*

You've got New Zealand-born New Zealanders who are living here, you've got New Zealanders who have been overseas but because of the recession returned home, and you've got international students graduating, and there are no jobs. *(Hillary, Director, University)*

At the time of the interviews, it had become much harder for former students to transition to permanent residence after study. The difficulty could be attributed largely to New Zealand's unfavourable economic situation, and to a lesser extent, to the changes to the skilled migration policy after 2008.

7.3 A shaping of the policy setting

This section examines the development of policies linking study and migration in New Zealand. The findings are divided into the following sub-sections:

- What had changed (7.3.1)?
- What contributed to the policy changes (7.3.2)?
- How were the policy changes implemented (7.3.3)?
- Would there be further changes (7.3.4)?

7.3.1 What had changed?

New Zealand had maintained a relatively consistent skilled migration policy which had contributed to a stable policy setting linking study and migration. From the perspective of

those in the industry, there were no major policy changes that significantly hindered international students' transition to permanent residence.

We had very minor ones that have not impacted international students at all, not in the last few years. There hasn't been any major change to either immigration policy or international education policy. *(Hillary, Director, University)*

There is always a kind of tweaking going on, there hasn't been other than that... there hasn't been a strong swing in policy. *(Aaron, Researcher, International Students and Foreign Policy)*

There was in fact some surprise expressed that New Zealand had not significantly tightened its policy setting linking study and migration, given the persistence of difficult economic conditions.

Everybody thought, because of the economic recession there will be changes to the immigration policy simply because of the unemployment rate. But no, there hasn't been change. So that has been a surprise that we haven't tightened up our immigration requirements for international students intending to stay on to work and obtain residency. *(Hillary, Director, University)*

Nevertheless, the threshold for recognised New Zealand qualifications was raised for former students wanting to apply for and obtain permanent residence in New Zealand. This change might not have seemed significant to the education professionals in the university sector, but was important to one education professional whose school offered lower levels of education courses.

For example like IT here, it used to be if you have level 6 or level 7 diploma, you could actually apply immediately after you finished your qualification. Now they are making it more difficult, you need to have a Bachelor degree. If you have a diploma, you must find a job and make sure you are sponsored by the company. If they are willing to accept you then you can apply for residency. *(Darren, Director, PTE)*

In addition, the skilled employment requirement was also adjusted and as a result, international students were required to have a higher level of employment to be eligible for skilled migration. This attracted the criticism that expecting former students to find a senior-level job in their field of study as soon as they graduated was not equitable:

It's unrealistic for a new graduate, let alone an international new graduate, to get a management role. *(Colin, Career Advisor, University)*

The comments below also indicated that, without fully satisfying the skilled employment requirement, studying in New Zealand would not necessarily lead to permanent residence:

[My friend] was working in New World⁵⁸ in Wellington. His position was higher than supervisor but a bit lower than manager. When he applied for residency, [Immigration] didn't give it to him. He has also been working here for some years, and graduated from Victoria University [of Wellington], but they didn't give him residency. (*Xia, China, Bachelor's graduate, Accounting*)

As commerce is quite wide, you have to be able to get a job at a managerial level. And for accounting, it used to be that if you were doing a book-keeping job then you could apply for permanent residence, because it was relevant. But then later on they changed it, it has to be at least an accounting assistant job or something similar. The job can't just be book-keeping; it has to be something higher level. (*LiLi, China, Bachelor's graduate, Social Sciences*)

Notwithstanding that the changes to the skilled migration requirements were relatively minor New Zealand's policy setting linking study and migration had thus also been progressively tightened.

7.3.2 What contributed to the policy changes?

When asked to reflect on why New Zealand had not seen many or larger changes to the policy setting linking study and migration, most education professionals gave the reason of the steady growth of the export education industry over the past years:

We haven't had problems as other countries had, our education sector was very stable, we didn't even have as rapid rise as Australia has had. Ours has been steadily growing, and that's continuing. (*Hillary, Director, University*)

Universities have continued to recruit more international students, and that is really despite some government policy, not because of it; so the government thinks everything is fine. (*Nathan, PVC, University*)

In addition, it was suggested that New Zealand was not in a strong position to introduce radical changes that might jeopardise an apparently thriving export education industry. Recalling earlier findings that it was not often a country of first choice for international

⁵⁸ New Zealand-owned supermarket chain

students, it seemed that New Zealand may in fact need to work harder to attract international students rather than turning them away.

Australia can make changes because they are in a better position and New Zealand is not the first choice for anybody in the world. Among these four to five countries like England, America, Australia and Canada, New Zealand comes the last, so that's why they don't have the competitive edge. *(Hamid, Pakistan, Master's student, Management)*

In terms of what drove the minor policy changes, two categories of contributing factors emerged: power dynamics in the policy system, and the weakened economic environment. These are discussed in the following sub-sections.

7.3.2.1 Power dynamics in the policy system

The policy setting linking study and migration was dominated by New Zealand's single level of government. It was the perception of the education professionals that the government was, in general, satisfied with the policy outcomes as they applied to the export education industry. Therefore, the power dynamics between policy institutions appeared to be subtle. In New Zealand, the power dynamics were mostly observed between policy actors such as universities and PTEs. On the one hand, many universities had experienced their prospective overseas students lured away by the PTEs; on the other hand, they were concerned about some operational practices in the PTE sector.

Whether the PTE sector is sufficiently regulated is an issue. PTEs are certainly driven by immigration, and there are some practices that are perhaps not good for New Zealand...in terms of recruitment and educational practices. It's difficult for universities because we have to hold up our standards and quality, but the PTE market is very competitive, almost cut-throat, and we struggle with it because we lose students, because they get hijacked by PTEs. *(Nathan, PVC, University)*

Universities are very worried about too many schools being set up here, especially the PTEs bringing in international students, running some programmes which are not really meeting the needs of industry and the community, so they are very worried about those things; they do put a lot of pressure on the government. *(Darren, Director, PTE)*

In addition, there was a perception that industry groups also had a not inconsiderable influence on the government's skilled migration policy.

Industry people look forward to tightening [the policy setting]. They want better quality students coming here...if they finish their qualification they could actually help provide the manpower for the country...that's what they are actually looking at as well. Not coming here, just getting a qualification then flooding the market with graduates. It's not helping if they lack certain real world experience or practical experience. *(Darren, Director, PTE)*

7.3.2.2 Weakened economic environment

Almost half of the education professionals suggested that the economic slowdown had a significant, if not the most critical impact, on the changes to skilled migration policy. The global financial crisis especially led to a significant downturn in New Zealand's economy and as a result, changing labour market needs had intensified the necessity for the government to make corresponding changes.

The criteria have recently changed because of the recession, so the skills that we need are not the skills we needed three, four years ago when we had a tight labour market. *(Aaron, Researcher, International Students and Foreign Policy)*

The economic downturn also had an effect on the general public's attitude towards international students and foreign workers in general, according to those in the education industry:

If people can't find jobs, if there is an outcry about international students taking away jobs from residents...I mean already people are talking about it, I often get people who say 'Oh, you are responsible for those international students taking our jobs'. Those comments are being made. *(Hillary, Director, University)*

The recession has been impacting on people's perceptions of Asians generally; obviously the general public doesn't make a distinction whether they are students or not. And there is a perception in the recession that Asians are taking away jobs that Maori or European New Zealanders would want. *(Aaron, Researcher, International Students and Foreign Policy)*

Therefore, there were concerns that such sentiments towards immigrants might also have put pressure on the government to make subsequent changes to the skilled migration policy.

I had a feeling they just want less immigrants into the country for whatever reason, maybe because we take jobs the locals want to do, because we don't mind getting paid less...the government policy is not there because they are nice or because they think it's good for the whole country. There is definitely a little bit of selfishness in it, for the Pakehas' sake, for Maori people's sake. *(LiLi, China, Bachelor's graduate, Social Sciences)*

I believe there is still a big percentage of people who are conservative, and they don't want too many migrants coming here to spoil the environment, to corrupt the systems or whatever. Maybe it's too harsh to say corrupt, but maybe adulterate. So there is a lot of resistance to the government. *(Darren, Director, PTE)*

7.3.3 How were the policy changes implemented?

The findings from the preceding sub-section indicated that only minor changes had been made to the skilled migration policy. As well, the implementation of the policy changes had been relatively progressive, and it occurred at a reasonable frequency.

[The government] decided that [policy] shouldn't be changed every now and then. But they must think there are some changes they can't do every year or two, so twice a year is a good frequency. If something needs to be changed, it is changed in six months' time. *(Erika, Migration Agent)*

In addition, from his experience working in the PTE sector, Darren perceived that the government had become more consultative over the past few years. It was his perception that a growing number of policy actors in the policy system had been invited to engage in the policy-making process.

7.3.4 Would there be further policy changes?

At the time of the interviews, no education professional had perceived any indications of policy changes that might hinder international students' transition to permanent residence.

I thought it would change, that it would tighten up, but it hasn't. If the recession gets worse and the unemployment rate gets higher, it may be changing our regulations towards staying on and working, and then obtaining residency...maybe, I don't know. There is no indication that it will happen. *(Hillary, Director, University)*

As a former international student who was working in an immigration consultancy at the time of his interview, Bo was more optimistic about the policy development in the forthcoming years, with the proviso that New Zealand's economic situation recovered.

The policy has been tightened because of the financial downturn. But when the economic conditions improve, the demands for talent will increase and then naturally the policy will loosen up. *(Bo, China, Bachelor's graduate, Information Technology)*

There was agreement that the outlook of the policy development would largely depend on New Zealand's economic and political environment, and that the implications of the economic slowdown, in particular, should not be underestimated.

They will go into a more positive direction, but the macro will come first. If the economy is not good, you can't expect them to be liberal, because they've got to look after the locals. *(Darren, Director, PTE)*

The economy in this country is not in a great shape; that's the main priority at the moment. Give the country sometime to get back to a decent shape and, if [the National government] remains for another term, I believe that there will be emphasis and coordination of international policies. *(Hillary, Director, University)*

It was well established that the policy setting linking study and migration, offering as it does the possibility of obtaining permanent residence, was a prominent aspect of New Zealand's attractiveness as a study destination, and for that reason it was unlikely to change.

They will never do that, because like I said this is one of the attractions, and they are benchmarking against Australia. *(Hugh, Nigeria, PhD student, Business Informational Technology)*

Severe consequences were predicted for the export education sector if the transition pathways to permanent residence were no longer available to international students:

There is a whole industry out there that is based on qualification for permanent residence. If that wasn't the case, they would all close. Universities will survive but wouldn't recruit as many students. *(Nathan, PVC, University)*

It is best if the government leaves everything alone at the moment, because if the government wants to make changes, they are going to toughen it up. I hate to see the ability to work taken away, I hate to see the reversion back to students not allowed to work while studying; if that happens it will kill the industry. *(Hillary, Director, University)*

In terms of positive change, there was a perceived need for the skilled migration policy to be part of a wider strategy that contributed to the country's longer-term objectives to build up a skilled workforce.

We need a long-term strategy for immigration. It seems to be based on skill shortages and that is very short-term...looking at skill shortages now, there is no prediction, and there is no modelling going on...our migration policy seems to be based on current skill shortages, plugging the gaps. *(Hillary, Director, University)*

Furthermore, if it was the government's genuine intention to fill the gaps in the labour market, then it was suggested that they should play a more proactive role in linking study and migration. This could be achieved by working more closely with industry groups to identify specific skill shortages and collaborating with education providers to produce graduates with the required skills.

It would require something the government doesn't like doing, which is specifying to universities which areas should be education-provided...it tends to let universities decide what they are going to do. That means often we have a market force approach, which is that we are providing courses students want to do, rather than courses the economy requires. Now there is a philosophical discussion about the role of universities, but to marry economics and migration, the university network would require more planning on the government's behalf. (*Nathan, PVC, University*)

7.4 Aftermath of the policy changes

This section identifies the impacts and implications of the development of policies linking study and migration. Even though the policy changes in New Zealand had been relatively minor, they still produced an impact on the student participants and other policy actors in the policy system. The findings are divided into the following sub-sections:

- Immediate impacts on international students (7.4.1)
- Beyond the immediate impacts (7.4.2)
- Challenges and opportunities (7.4.3)

7.4.1 Immediate impacts on international students

The changes to policy had varying effects on the student participants in this study according to their educational background. As the policy setting linking study and migration had shifted to remove migration incentives away from the lower-level education courses, international students studying certificate or diploma courses were no longer eligible to apply for permanent residence unless they found an employer willing to sponsor their applications.

In this study, two student participants studying in the PTEs were directly affected by the policy changes. Makoto had to upgrade his training course from level 4 to 5 in the midst of his study to make sure that he would still be eligible for skilled migration when he graduated, while

Emiko could no longer claim bonus points because the vocational training course she was undertaking had been removed from the occupation list.

Landscape and horticulture were taken out of the shortage list in December last year (2009). So it disadvantaged students like us who are studying horticulture and landscape because we can no longer have bonus points towards permanent residence. *(Emiko, Japan, Diploma student, Landscape Design)*

Although the student participants who were studying in universities had not been directly affected, they generally felt that the skilled migration policy was unpredictable. Therefore, in interviews where the student participants indicated that they were intending to apply for permanent residence, the constant worry about whether they would still qualify for skilled migration at the end of their study was evident. Tanya's comment said a great deal about her eagerness to apply for and obtain permanent residence before any major policy changes took place.

We just hope that we get our PR as soon as possible, before any change comes. Policy is bound to change but I am hoping it doesn't change in my time. *(Tanya, India, Postgraduate Diploma student, Accounting)*

7.4.2 Beyond the immediate impacts

The interviews with the education professionals indicated that any policy changes which hindered international students' transition to permanent residence would not only impact overseas students but also other policy actors in the policy system, or even the export education industry overall. Particularly where the development of an education or training course was based on its association with the skilled migration programme, there was a concern that the course might be subject to collapse should the policy change. A change in policy about trained personnel in early childhood centres illustrated this point about how a policy decision could make or break an education/training course:

It was the previous government's policy that every early childcare centre in New Zealand would have a percentage of trained early childhood teachers. So what did everybody want to do? Early Childhood Education! This government changed the policy; they don't need that ratio of trained early childhood teachers, so bang! the demand has gone overnight. *(Hillary, Director, University)*

With regard to the follow-on effect of the policy changes, Nathan observed that the root of the problem was in the fact that the many private education providers were driven by immigration, not education.

I suppose that is the problem when it's all immigration-focused...students are interested in the immigration points, not the quality of education. *(Nathan, PVC, University)*

7.4.3 Challenges and opportunities

At the time of the interviews, the cost of studying in New Zealand had become less affordable for international students, and its comparative cost advantage over Australia had diminished.

When I first arrived the ratio was like 1:3 [NZD to CNY], it was relatively cheap. Then it kind of went all the way up to 1:5, these years you see the decreasing number of people coming to New Zealand. Because you think about it, if it cost almost the same as study in Australia, why choosing New Zealand? *(LiLi, China, Bachelor's graduate, Social Sciences)*

Similarly, two education professionals confirmed that New Zealand was not the more affordable option in international education that it used to be. Indeed, New Zealand no longer wanted to be seen as a 'cheaper alternative' to major study destinations.

It wouldn't be [cheaper] now, because the exchange rate isn't in New Zealand's favour, so it's much more expensive for students to come here than it used to be. *(Aaron, Researcher, International Students and Foreign Policy)*

We have deliberately priced the courses at the level that compares with Australia. We don't want to be seen as cheap, so we are not particularly...we might be slightly but not significantly cheaper. *(Nathan, PVC, University)*

Meanwhile, reports of Australia's disturbance with Indian students in 2008/09 might have advantaged New Zealand with its reputation as a safe study destination, and it had thereby claimed prospective international students from Australia's market share.

I didn't consider Australia at all because of the kind of information [attacks on Indian students] you get in India. That might be in the past, but after this thing parents will never allow their children to go to Australia with that scenario. *(Tanya, India, Postgraduate Diploma student, Accounting)*

Security is one of the things parents think about when sending their children overseas to study, and if I feel Australia is not safe enough, because the media report incidents, then of course I am not going there. *(Erika, Migration Agent)*

With India becoming an increasingly important market for international students, it was not surprising that New Zealand then actively increased its marketing and promotion activities there.

These days due to the disturbances they have in Australia, New Zealand is actually capitalising on that term, so recently New Zealand has increased advertisements, fairs and everything in India, and it's really advertising itself hugely in India. *(Tanya, India, Postgraduate Diploma student, Accounting)*

However, depending on the education sector represented by each education professional, there were distinct opinions about whether New Zealand had truly benefited from an increase in numbers of international students from India.

We have slowly seen more Indian students coming to New Zealand. I haven't got that from statistics, but we've got growing number of Indian students coming here. *(Darren, Director, PTE)*

This is something I have been tracking...no, I don't [see much increase in the number of Indian students], maybe in another sector. *(Hillary, Director, University)*

While New Zealand strove to promote itself internationally, there were concerns that there was insufficient differentiation in perceptions of Australia and New Zealand:

The danger is the world thinks New Zealand is part of Australia, or New Zealand is the same as Australia. So we have to make it clear that we are not Australia, we are a very small country close to Australia, and a long way from anywhere else. There is a lot of misunderstanding out there. *(Nathan, PVC, University)*

In addition, there was a perception that Canada might have benefited more than New Zealand because of its more favourable policies towards international students seeking permanent residence.

Talking to my colleagues, talking to agents, Canada should be considered, that's what I heard. That's because the immigration policy, ours is in the middle, not as rigid as Australia's but not as open as Canada's. And I would say from Australia's downturn, Canada has been benefiting more than New Zealand. *(Hillary, Director, University)*

More importantly, New Zealand's competitors in the export education market now extended to emerging study destinations in the Asian region:

Singapore, Malaysia, China, even China intends to have hundreds and thousands of international students by 2015, so now we've got our main source countries becoming our competitors, at a much more cost effective price, not so far to travel, and also more familiar. *(Hillary, Director, University)*

Students from China might look either in China, or if they're going to study overseas, Singapore, perhaps Malaysia, perhaps Taiwan. So when those economies are strong, I don't have to learn another language, I don't have to go a country I am not familiar with, I don't have to eat different food, I don't have to travel so far from home, I'll go there. But I am not sure that New Zealand quite figures it out that is where their new competitors are, actually within Asia. We are still thinking in terms of countries just like us. *(Aaron, Researcher, International Students and Foreign Policy)*

Sharing a similar understanding, Nathan suggested that New Zealand had to further strengthen its alliances with global education partners in order to advance its position as an attractive study destination.

Eventually countries like China and India are going to build their own capacity...they will have their own world class universities, they won't need us, so we have to think about the nature of the relationship we have with people in the international education market. *(Nathan, PVC, University)*

7.5 Summary

This chapter confirmed a close connection between international education and student migration in the context of New Zealand. The idea of migration to New Zealand was attractive and had already motivated almost half of the student participants to transition to permanent residence. Their decisions to seek permanent residence were most influenced by the recognition that overseas students were able to apply for and obtain permanent residence in accordance with the policy setting linking study and migration. However, although former students were somewhat advantaged in the skilled migration selection, this was a transition still predominantly reliant on their ability to obtain a job offer and skilled employment in New Zealand.

New Zealand's skilled migration policy had remained relatively stable, even with the increasing emphasis on local employment, and migration incentives being removed from lower-level education courses. However, in the wake of the global financial crisis, the competition and difficulties involved in finding skilled employment in New Zealand had intensified since 2008. The impacts of the economic slowdown had considerably hindered international students' transition to permanent residence far more than any policy changes.

The next chapter discusses the meaning of the findings presented in Chapters 6 and 7, examines the differences in the Australian and New Zealand contexts, and discusses their meanings in the light of previous research.

Part V Discussion & Conclusions

Chapter 8 Discussion

The two preceding chapters presented the findings from interviews with the research participants in Australia and New Zealand. These findings set out the experiences and reflections of the research participants regarding the development of policies linking study and migration in each country. The aim of this chapter is to explore the implications of the findings presented in Chapters 6 and 7, examine the similarities and differences between the Australian and New Zealand contexts, and discuss the responses of the interviewees to the development of policy as documented in Chapters 2 - 4.

This chapter is divided into four sections. Section 8.1 discusses whether the policy setting linking study and migration had facilitated international students' decisions to study in their host country. It also examines the responses of international students to the policy setting linking study and migration. The findings suggest that the decision to apply for permanent residence, and which was made by most of the student participants in this study, was facilitated by the policy link between international education and skilled migration in their host country. Sections 8.2 and 8.3 examine how the research participants perceived the development of policies linking study and migration in their host country, and what they considered to be the factors contributing to the policy development. The findings identified that, owing to the changes in Australia's and New Zealand's policy environment since 2007/08, it has become increasingly difficult for overseas students to transition to permanent residence through the policy setting, particularly in Australia, where rapid and major policy changes were observed. Analysis was undertaken using Considine's policy system, which provided understanding of the contextual roles of political economy and policy culture, and the relative influences of policy players in the policy system.

Section 8.4 analyses how the research participants were impacted by the development of policies linking study and migration in their host country, and what they believed were the implications of the policy development. It also gives an account of the challenges and opportunities faced by the international education sector in Australia and New Zealand

subsequent to the policy changes. Formal conclusions of the findings of this research will be drawn in the following chapter.

8.1 International education and student migration

It was noted earlier in the thesis that a number of international students eventually remained in the country where they completed their highest level of education, and that this number was increasing (Gribble, 2008). Similarly, based on the prospect of immigration, many students from developing countries chose to undertake education in a developed country (Jackling, 2007; Tremblay, 2005). In fact, subsequent migration to the host country has been recognised by many previous studies as one of the significant factors that motivated international students to undertake education in their host country.

In this section, the research outlines the connection between international education and student migration. The main objectives of this section are: 1) to find out whether international students undertook study for the purpose of immigration, as was suggested by previous research; 2) to understand what attracted them to undertake study in their host country; and 3) to ascertain whether they intended to apply for permanent residence and if so, what motivated their decisions to apply for permanent residence in their host country.

8.1.1 Did international students study for the purpose of immigration?

The interviews conducted with the education professionals in this study revealed their belief that the possibility of obtaining permanent residence was one of the driving forces that pulled international students to study in Australia or New Zealand. While this aspect of the findings resonated with that found by previous research, it was not endorsed by all education professionals who participated in this study. Varying perceptions were offered on this count, suggesting that although permanent residence was an attractive option and prospectively, an additional benefit for international students, it was not necessarily the primary motivation for their initial decisions to study in Australia or New Zealand.

For their part, some of the student participants in this study gave the possibility of obtaining permanent residence as the reason for studying in Australia or New Zealand. This aspect of the findings seemed to support Tremblay's (2005) suggestion that studying abroad was part of the intentional immigration strategy of overseas students. However, the findings of this research indicated that the majority of the student participants had not, at the outset, chosen to study in Australia or New Zealand primarily because they wanted to immigrate, although the majority of them had subsequently developed a keen interest in applying for and obtaining permanent residence.

This somewhat discrepant result could be explained in a number of ways. First, some student participants may have been reluctant to disclose their immigration scheme to a stranger. Or, they may not have acknowledged to themselves that the possibility of migration played a critical role in their decisions to study in their host country. Second, there was a limited representation of vocational education and trade students in this study. According to previous research, international students studying in the vocational education and training sector often expressed a stronger interest in obtaining permanent residence in their host country. More specifically, a previous study in New Zealand (Wilkinson et al., 2010) found that many overseas students undertook a vocational qualification to help them gain permanent residence; in Australia, overseas students in this cohort were often disparaged as 'PR hunters' (Tran & Nyland, 2011). Although this research found that those student participants who were studying with private education providers had planned to immigrate from the outset, or had chosen their particular training course to improve their eligibility for skilled migration, the small sample size did not render this result transferable to all international students studying in the vocational education and training sector. Or third, the findings of earlier research were not based on actual interviews with international students (as opposed to surveys or focus groups) and did not, therefore, provide a nuanced account of students' motivations at particular stages of their study experience.

A general finding that emerged from this section of the research was that student participants who had expressed interest in obtaining permanent residence in Australia and New Zealand fell into two groups: those who had the intention to immigrate when they arrived, and those who had decided at a later stage to stay on in the host country. The majority of the student

participants in this study belonged to the second group; they had formed the idea of remaining in the host country and decided to stay by applying for permanent residence. This aspect of the findings diverges from that found in a number of previous studies which tended to generalise about international students with regard to their intentions and plans to obtain permanent residence from the outset. This contradictory result suggested that the phenomenon of student migration had not been investigated exhaustively or accurately by previous studies. Further discussion of the aspirations of overseas students to obtain permanent residence will take place in section 8.1.3.

8.1.2 What attracted international students to study in the country?

With respect to the factors that drew international students to study in the host country, an interesting finding that emerged in the case of both Australia and New Zealand was that some student participants had come to their host country by chance rather than by choice. In other words, neither of the two countries was their first choice of study destination, but rather an available alternative in consequence of other countries' visa rejections, immigration restrictions, or other barriers. This finding corresponded with that set out in section 2.1.5, which showed that the push and pull factors that existed between study destinations to some extent had influenced a student's selection of a study destination.

This research found that student participants from countries such as Iran, Nigeria or China appeared to have suffered restricted mobility to a greater degree than others, and were therefore more likely to have accepted a less preferred study destination, such as Australia or New Zealand. Similarly, the inability of student participants to travel freely, owing to their nationality, may also have motivated their decisions to obtain permanent residence in Australia or New Zealand as the first step to achieving the mobility available to residents of Western countries. This will be discussed further in section 8.1.3.

In addition to the intrinsic attractions of Australia and New Zealand as study destinations, the research findings indicated that proactive policies associated with international students were significant influences in students' decisions to study in either of these two countries. This aspect of the findings echoed much previous research (e.g. Coulon & Davis, 2008; Wilkinson

et al., 2010; Yang, 2007), in showing that policies relating to international students' work rights, as well as policies facilitating the transition of international students to permanent residence, had effectively drawn overseas students to study in Australia and New Zealand. In New Zealand, the policy setting towards international doctoral students in particular was regarded as an innovative and successful way of improving New Zealand's attractiveness to postgraduate research students.

8.1.3 What motivated international students' decisions to immigrate?

In this study, one difficulty was finding suitable descriptors that did not divide the world into two categories, yet the reality of the finding that student participants from economically less developed countries responded more strongly to the possibility of obtaining permanent residence in their host country was inescapable. This finding resonated with previous research (e.g. Dreher & Poutvaara, 2005; Khoo et al., 2008), which had shown that the economic disparity between the home and host countries often influenced the decisions of overseas students to remain in the host country after they had completed their studies. This finding also concurred with a previous study in New Zealand (Mills et al., 2005), which had suggested that international students from poorer countries generally gave immigration a higher priority, while students from wealthier nations were less motivated to apply for permanent residence.

The correlation of political economy and overseas students' decisions to remain in their host country was observed again in this study, in the finding that the number of Chinese students who returned home after study was growing. The growing number of returning students was explained by the fast-developing economic and employment opportunities in China, a finding that was consistent with Dreher and Poutvaara (2005), who had noted that international students were less likely to remain in their host country when similar opportunities existed or were developing in their home countries.

The research findings concurred with the observations of Mares (2011b), who had found that in the context of Australia, international students often developed a combination of emotional, cultural and financial connections towards Australia after living in the country for some time. Also, the research findings suggested these connections not only deterred overseas students

from returning home, but also from moving to a third country. This finding again reflected Mares' (2009) suggestion that the financial and social costs of a subsequent move significantly influenced students' decisions to stay, since these costs outweighed those that would incur by remaining. This was particularly relevant to international students who had decided to obtain permanent residence in any of the Western countries, given that a subsequent move would mean losing any advantage in the skilled migration selection in their host country and having to begin the process again in the third country.

Although material considerations might have appeared to be an important motivation overall, they were not observed in the responses of all student participants interviewed for this research. Compared with those student participants from China, India, Zimbabwe and Nigeria, who gave economic-related incentives for migration a relatively high profile, the student participants from Japan, Singapore and Finland indicated that more subjective motivations, such as lifestyle or work-life balance, had been more critical in their decisions to apply for permanent residence in their host country. In addition, the decisions made by the student participants from Iran, Zimbabwe and Nigeria, to apply for permanent residence were also greatly influenced by their desire to escape political oppression or instability and lack of social freedoms in their home country.

Furthermore, the findings of this research indicated that the decisions to immigrate were influenced by a combination of push and pull factors that existed between the students' home countries and their host countries. Push factors that had deterred student participants from returning home included a sense of growing alienation from their home country together with a lack or loss of social connections or networks there, and the desire to escape unsettled political and social conditions. Apart from the availability of higher earnings and better living conditions and the established social service systems of the host country, pull factors that had influenced student participants to stay in the host country also included their developing emotional attachments to the host country, the cultural familiarity they had acquired, professional and personal connections, and lifestyle in the host country. The influence of non-material considerations on students' decisions to remain in their host country did not figure largely in the scope of previous research, which may be explained by the fact that most of the

earlier studies have focused on the influence of political economy on international students mobility, rather than on the influence of the policy cultures of both home and host countries.

In addition, the research findings showed that desire for the greater mobility on offer in the West was explicit among student participants from Iran, Nigeria, China and India. For these students, the ultimate goal was to obtain an Australian or New Zealand passport, and gaining permanent residence was only the first step towards it. This finding was unsurprising, since it reflected the observation made earlier that quite a few of these student participants had come to Australia and New Zealand after failing to gain entry as students to countries of first preference. Therefore, the more troubled these student participants were by their inability to travel, the more determined they were to improve their mobility by obtaining an Australian or New Zealand passport. The desire for mobility on the part of international students was identified by Robertson (2008) as an important reason for their aiming to obtain citizenship in Australia. While this finding might seem to contradict the earlier finding in relation to the financial costs of a subsequent move, the competitive advantages and prospects that international students acquired in the global employment market by obtaining an Australian or New Zealand passport may in fact provide the confidence and capacity to undertake a subsequent temporary or permanent move.

The research findings further indicated that the majority of the student participants, regardless of their country of origin, wanted permanent residence as a means of improving their employment prospects in the host country. International students in both countries perceived that they were disadvantaged in the local labour market because they did not have permanent residence. This finding accorded with a number of previous Australian studies (AEI, 2010a; Tran & Nyland, 2011) in which overseas students identified their lack of permanent status as a common barrier to employment, but this had not been previously described in the New Zealand context. This dilemma encountered by international students, of needing a job to qualify for skilled migration but needing permanent residence to be considered for a job, will be discussed further in section 8.2.3.

Another important finding that emerged from this section of the research was that student participants had often been encouraged in their decisions to seek permanent residence by the

policy link between international education and skilled migration in their host country. While some student participants had thought about becoming a permanent resident from the outset, the majority began to consider migration only after they arrived in their host country. The student participants in this study were explicit about the attractiveness of possible immigration, and acknowledged the relative ease of transitioning to permanent residence in Australia and New Zealand in comparison with other popular study destinations such as the United States and the United Kingdom.

This aspect of the findings has also not featured in previous research to any great extent. Of the scant literature that has pertained to the impacts of the policy link between international education and skilled migration on overseas students' decisions to immigrate to their host country, two Australian studies (Robertson, 2010; Tran & Nyland, 2011) suggested a driving factor for overseas students to consider immigration was the ease of transition. The realisation that obtaining permanent residence on completion of study was not inordinately difficult, through the study-migration pathway, may have encouraged students in this aim.

This research found that, with the inducement of the policy link between international education and skilled migration, student participants from a wide range of countries, including the Middle East, Africa and Europe, demonstrated, without hesitation, a keen interest in applying for permanent residence in their host country. This aspect of the findings did not correspond with the perceptions of some education professionals in the research, or with previous research in which 'Asian' students, named particularly as Chinese and Indian nationals, were identified as more migration-driven than others. This research attributed this commonly-heard generalisation to the high statistical representation of Asian students in international student mobility, but contended that the motivation to seek permanent residence in the host country was not exclusive to Asian students, and was in fact shared by all international students in this study. This finding was affirmed by the education professionals in this study, who believed that most international students, if not all, were highly motivated to apply for permanent residence upon completion of their qualifications.

When the responses of the student participants were compared with those of the education professionals in this study, different perspectives on international students' aspirations towards

permanent residence were found. In interviews with the education professionals in both countries, there was a common perception that overseas students sometimes saw permanent residence as a 'back-up' or an 'insurance policy', although they did not intend to live in Australia or New Zealand for the time being. This finding, while in line with a number of previous studies from both countries (Guo, 2010; Hugo, 2008; Wilkinson et al., 2010), was not confirmed by the student participants in this study. These previous studies had shown that overseas students sought permanent residence with the aim of being able to return and live in the country at some time in the future. This finding was not borne out by the student participants in this study, who, perhaps because they were reflecting on their personal aspirations, wanted genuinely to settle in their host country at the time of interview. It may have been that the education professionals in this study had made assumptions, based on their broader professional view, that some international students had left the country after obtaining permanent residence, rather than on any knowledge of the aspirations and circumstances of individual students.

Finally, when the research findings from Australia were compared with those from New Zealand, one quite significant fact which emerged was that gaining New Zealand permanent residence or citizenship could be used intentionally as a stepping-stone to Australia. Often, the New Zealand student participants expressed the idea that Australia offered better prospects for employment, higher income earnings, and better living conditions, and some student participants did not exclude the possibility of eventually moving there. While a similar springboard motivation was not observed among the student participants in this study in Australia towards New Zealand, Hugo (2008) and Xiang (2007) found that Australia was considered a stepping-stone to bigger economies, such as those of the United States or the United Kingdom.

8.2 The policy setting linking study and migration

From the review of extant literature of the policy link between international education and skilled migration, it emerged that the intention of the governments of Australia and New Zealand was to facilitate the skilled migration of international students. As suggested by many previous studies (e.g. Hawthorne, 2005; Hawthorne, 2010a; Wilkinson et al., 2010), former

students were expected to make more immediate contributions to the country's economy as skilled migrants than those who arrived through the offshore programme. In addition, from the perspective of a host country, policies that facilitated the transition of international students to permanent residence were useful to its recruitment strategy because they bolstered its attractiveness as a study destination (e.g. Chaloff & Lemaitre, 2009; Hawthorne, 2008a; OECD, 2009; Tremblay, 2005). The introduction of the policy link between international education and skilled migration was largely driven by political economy, as a part of Australia's and New Zealand's strategies for maintaining and promoting their competitiveness in the global economic environment.

This research examines the policy setting linking study and migration in Australia and New Zealand. The focus of the following section's discussion is the research participants' reflections on 1) the policy setting linking study and migration; 2) how the policy setting leads international students to permanent residence; and 3) whether it is easy for international students to transition to permanent residence through the policy setting.

8.2.1 Reflections on the policy setting

The interviews with the education professionals in this study produced data that was consistent with many previous studies in that it confirmed that the policy setting linking study and migration was, to a great extent, built on material considerations. The first of these considerations was the advantage to the economy of retaining skilled workers who had been educated locally and who were expected to produce early and positive labour market outcomes. Second, the policy setting was an aid to selling Australia's and New Zealand's educational services overseas because it provided international students with a strong incentive to study in either country. Another important consideration in New Zealand was to replace the outflows of New Zealanders who leave to live and work overseas.

The education professionals interviewed for this research also revealed that they considered that maintaining the integrity of the policy setting linking study and migration was a major challenge for the governments of both Australia and New Zealand. This aspect of the findings corroborated those found in the previous studies, in their suggesting that the policy link

between international education and skilled migration had prompted overseas students to study for the purpose of immigration and permanent resident status in particular. Permanent residence was identified in this study as an important resource from the perspective of international students, and one which had the effect of motivating them to undertake education overseas in order to attain it.

However, a common understanding among the education professionals was that the study-migration pathway was intended to encourage the skilled migration of overseas students. They did not, therefore, express any objection to the intentions of international students to obtain permanent residence through the policy setting. The attitudes of the education professionals towards overseas students studying for the purpose of immigration were, to some extent, in line with those of two scholars in Australia. Robertson (2010) contended that it was the immigration policies that encouraged overseas students to apply for permanent residence, and Mares (2011b) argued that the majority of overseas students were simply playing the migration game by the rules set down by the Australian government.

When asked to reflect on the policy setting linking study and migration, some student participants communicated a sense of entitlement regarding their transition to permanent residence. This aspect of the findings has not been previously described, but it suggested that some international students had viewed their overseas education as an economic contribution to the local economy and host country. Further, on the basis of such a perception, it was not surprising that these student participants had expected to receive favourable treatment in the skilled migration selection.

This observed sense of entitlement appeared to be stronger among the student participants in New Zealand than those in Australia. This could have been explained by New Zealand's well-acknowledged loss of citizens who leave to live and work overseas each year; as much as international students wanted to gain permanent residence in New Zealand, they were aware that New Zealand also needed them. In this regard, the student participants revealed their understanding of New Zealand's situation, wherein the skilled migration of international students and foreign workers was critical to New Zealand's demographic and economic development, as reported by Bedford (2006). The expressed sense of entitlement to permanent

residence might also have been related to the observation, made earlier in this study, that New Zealand is a lower-order preference as a study destination, and/or that New Zealand educational qualifications are not comparatively well-regarded. It follows that New Zealand needed to compensate its inferior place in the international education market with a proactive immigration policy that facilitated the transition of international students to permanent residence.

Therefore, some student participants interviewed for this research argued that were they given an opportunity to transition to permanent residence, the host country would benefit too. Their confidence could be explained by the fact that the majority of the student participants were aged under 30 at the time of the interviews, spoke fluent English, had completed at least a Bachelor's or Master's degree, and were integrated to some extent with the host society through their local labour market participation. They understood that these characteristics were those actively sought through their host country's skilled migration programme, and were confident in the skills and credentials they could offer. In this sense, the student participants perceived that the policy setting linking study and migration worked to their and their host country's mutual advantage.

8.2.2 Transitioning to permanent residence

A comparison of the research findings from Australia and New Zealand revealed the different approaches taken by the two governments in their management of international students' transition to permanent residence. In Australia, the education professionals acknowledged that the study-migration pathway had previously exclusively advantaged former students, with or without work experience, in the skilled migration selection. By contrast, the interviews with the education professionals in New Zealand indicated that while the policy setting demonstrated the government's intention of retaining international students as skilled migrants, it did not exclusively favour former students as skilled migrants. Although former students received certain migration points associated with New Zealand study experience, the skilled migration policy had been designed so that, without a job offer or current employment, most international students were unable to easily transition to permanent residence.

It was during the period of data collection for this research, however, that Australia's skilled migration policy shifted its emphasis to stronger English language ability and local employer sponsorship as the preferred bases of application for skilled migrant selection; at the same time, New Zealand began to increasingly favour higher level, better qualified applicants with local employment experience.

Subsequently, the respective policy settings in Australia and New Zealand became more comparable, in terms of their requirements for the transition of former students to permanent residence via employment participation rather than by direct skilled migration. The capacity of international students to meet the skilled employment requirement became the key determining factor of their selection as skilled migrants, and former students began to experience increasing difficulty in obtaining permanent residence through the policy setting. The transition mechanisms of both countries thereafter became critically important in providing former students with opportunities to accumulate work experience in their field of study. This also indicated that the material considerations in the policy making linking study and migration, grounded in fears of economic slowdown following the global financial crisis, had become much stronger in both Australia and New Zealand.

Overall, the interviews with the student participants in this study revealed positive attitudes about the transition mechanism in their host country. One exception that emerged from this positive field was that in Australia, international students who had completed a standard Master's course (with a duration of 18 months) often experienced a particular complication of the policy when they sought transition to temporary work or permanent residence; they were unable to claim migration points on the basis of Australian study experience because they had studied in the country for less than the mandatory two years. Students in that position were then often compelled to undertake additional education courses in order to be eligible for transition to Australian permanent residence.

No similar policy complication was found in New Zealand, since its skilled migration policy recognised one year or two years' New Zealand study experience. The research findings also indicated a general awareness that transition to permanent residence was dependent on students having a job offer or current employment in their field of study. Overall, the student

participants in New Zealand had a good understanding of what was required of them as applicants for skilled migration and therefore, they had aimed to secure a job from the outset if they were planning to apply for permanent residence after completing their qualification.

Even with the transition mechanisms and students' awareness of their requirements, this research found that student participants still struggled in their transition to permanent residence. When asked to reflect on the obstacles that prevented them from transitioning to permanent residence, the student participants often nominated meeting the skilled employment requirement as the most challenging task. Although previous research in both countries (Hawthorne, 2010a, 2011; Wilkinson et al., 2010) had affirmed that labour market participation by international students was achieved more easily because of their local study experience, this research found that international students had nonetheless been variously challenged and had often suffered impaired competitiveness in the local employment market.

8.2.3 Difficulties in obtaining permanent residence

The difficulties encountered by international students in the local employment market have been attributed by most previous Australian studies (e.g. Birrell & Healy, 2008b; Birrell et al., 2009) to a lack of adequate English language skills. Robertson (2010) contended that, apart from the aspect of language, international students were also impeded in their employability because usually they did not have sufficient practical work experience, or the networks and cultural knowledge critical to finding local employment.

An important finding that emerged from this section of the research, setting aside those reasons above, was that international students were disadvantaged in the job market by the lack of permanent resident status itself. As previously noted in section 8.1.3, international students wanted to obtain permanent residence in order to improve their competitiveness in the local employment market. Further, the challenge of finding employment also served to strengthen international students' determination to obtain permanent residence in their host country.

Overall, the student participants felt that the reluctance of local employers to engage applicants without permanent residence stemmed from conditionality, rather than race-related causes.

This observation was shared by participating education professionals, who noted that local employers favoured applicants with permanent status because of the complicated immigration regulations and procedures that governed the employment of foreign workers. Other comments made by the education professionals revealed that there were also various forms of discrimination that operated towards international students which adversely impacted their employment prospects.

With respect to the degree of difficulty of transition to permanent residence for international students through Australia's and New Zealand's respective policy settings linking study and migration, no appreciable difference was found. The research suggested, however, that the difficulty of transition to permanent residence was attributable to different factors arising in the policy environment of the two countries.

In New Zealand, although the skilled migration policy had shifted gradually, local employment participation remained the key determinant of selection. The research findings showed that the requirements for skilled migration applicants to obtain employment at more senior levels could be unrealistic in cases where former students had only recently completed studying for their qualification. In addition, the effects of the economic downturn in New Zealand worsened the employment prospects of overseas students who sought transition to permanent residence. This corroborated Hawthorne's (2011) finding that the recession and the concomitant increase in competition for employment had considerably hindered international students' transition to permanent residence in New Zealand.

In Australia, the research findings showed that, in addition to the adversity faced by overseas students in the employment market, international students were also confronted with a series of major changes that were made to the skilled migration policy. While further discussion of the shape of the policy setting will take place in the following section, the significant narrowing of the study-migration pathway in Australia was identified in this study as the critical hindrance to international students' transition to permanent residence.

8.3 The shape of the policy setting

During the time that elapsed between the conception of this research and the commencement of the fieldwork, the respective policy setting linking study and migration in both Australia and New Zealand underwent certain changes. A review of the existing literature relevant to the scope of this research showed that Australia's study-migration pathway could be divided into two phases. During the early phase, from 1999 to 2008, former students were exclusively advantaged in the skilled migration selection if they had completed an eligible education course in Australia. In the later phase, from 2008 onwards, skilled migration applicants who had strong English language ability and who had obtained adequate employer sponsorship or nomination were greatly advantaged (Hawthorne, 2011). Former students were then only marginally advantaged in the skilled migration selection, if they achieved high IELTS scores and obtained employer sponsorship.

By contrast, New Zealand's equivalent policy setting did not exclusively favour former students in the skilled migration selection, nor did it undergo significant change except the sudden increase of the English language test score required for skilled migration from IELTS 5 to at least 6.5 in November 2002. Overall, there were no changes that significantly hindered international students' transition to permanent residence, even though the New Zealand government had also gradually raised the threshold requirements for recognised educational qualifications and for skilled employment.

In this section, the research examines the development of policies linking study and migration in Australia and New Zealand. The discussion in this section will focus on the research participants' perspectives of 1) what contributed to the policy changes; 2) how the government implemented the policy changes; and 3) whether there would be further changes.

8.3.1 Factors contributing to the policy changes

With respect to what contributed to the policy changes, a common view expressed among the education professionals who participated in this study was that the change in both global and local economic environments had a decisive role in the development of policies linking study and migration. In the wake of the global financial crisis, the economies of Australia and New Zealand both experienced diminished confidence in growth and employment, which

subsequently led to a shift in the public perception towards overseas students seeking work and permanent residence. This shift represented a perceived lower tolerance for the level of overseas students gaining work and permanent residence. Such public perceptions constitute the policy culture that, deeply layered with history, attitudes, preferences and ideas, influenced the policy system that was stimulated in the wake of economic contraction.

The changes in the economic environment (political economy) and public perception (policy culture) were not the only factors that influenced the development of policies linking study and migration, particularly not in the case of Australia. As was pointed out by the education professionals in Australia, the many policy changes that had taken place since 2007/08 related to international students as well as skilled migration. This was a reflection of Australia's complicated policy system, which involved various players (policy institutions and policy actors) with conflicting roles and motivations for participating in the study-migration pathway. The influence of the interplay between policy institutions and policy actors on the development of policies is elaborated below.

First, Australia's study-migration pathway can be viewed as a field in which a lot of 'meddling' has taken place. Bedford (2006) claimed that Australia 'micro-managed' its skilled migration policy and practices. Characterised in this way, the policy emphasis on the expectation that overseas students should produce early and positive labour market outcomes upon becoming permanent residents meant that Australia's study-migration pathway was not sustainable when this particular economic objective was not achieved.

Second, as stated in section 5.2.1 and corroborated by this research, Australia's study-migration pathway has involved policy institutions at different levels of government, or of unequal influence on the same level that have not necessarily shared similar interests or preferences towards this particular policy setting. Some institutions have had greater or more direct access to the policy setting than others. This research has found that, as a result, the power dynamics between policy institutions have complicated the governance of Australia's policy setting linking study and migration. In this respect, the findings concurred with previous research (Birrell et al., 2006; Mares, 2010), which noted that DIAC, although recognising the problems

in linking international education and skilled migration, was not an equal contender in influence on the policy setting with the more powerful DEEWR until 2010.

In addition to the power dynamics at play between policy institutions, this research also observed certain power plays between policy actors such as universities and private education providers. As noted in section 4.3.1, the operations of many education providers, particularly private institutions, had been predominantly driven by material motivations. It was found in this study that the universities' loss of market share to the VET sector, as well as more generalised concerns over the unscrupulous practices of many private education providers, might have led universities to urge the government to rectify the study-migration pathway. The research findings suggested that, as policy actors, the international education sector had not been any more successful overall than others in attempting to influence government policy in linking study and migration.

Third, the research findings suggested that Australia's approach to managing the policy setting linking study and migration had, overall, been reactive rather than proactive. While the education professionals were well aware of the unintended consequences that the study-migration pathway had generated, they attributed these consequences to the unequal power relationships between policy institutions. The policy setting linking study and migration had previously been dominated by more powerful policy institutions with material motivations; other policy institutions had been prevented from addressing important issues in a necessarily timely way. This finding reflected observations made by the education professionals that policy institutions at the state level had been unable to effectively assure the quality of educational services provided to international students in their jurisdictions. This had resulted in a significant imbalance between the international education and migration industries.

Finally, Australia's political climate was unsettled during the time of data collection. The interviews with the education professionals indicated that the on-going debate about policies relating to the arrival and settlement of asylum seekers, which became particularly heated in campaigning for the 2010 federal election, had had an adverse impact on public perceptions towards immigration in general. The political environment and the policy culture at that time

in Australia were of critical influence in the development of policies linking study and migration in Australia.

By contrast, the policy development in New Zealand was relatively static. The interviews with the education professionals there revealed that New Zealand's export education industry had recovered from the downturn in 2003 and had, by and large, enjoyed steady growth since then. In addition, the government seemed to be satisfied with the labour market outcomes that had been achieved by former international students. It therefore perceived no immediate pressures that would necessitate any major changes to the policy setting. The student participants in the research similarly indicated that New Zealand, if did not want to jeopardise its seemingly stable export education industry, was not in a strong position to introduce significant policy changes.

New Zealand's skilled migration policy did undergo some minor adjustments, as noted previously. Although no obvious power plays between policy institutions were observed in the New Zealand context, the research findings suggested that the power dynamics between policy actors such as the universities and the PTEs might have led universities to persuade the government to remove migration incentives pertaining to lower level education courses.

Another important finding that emerged from this section of the research, with respect to the relative influence of various policy players, observed in both New Zealand and Australia, was that as policy actors, the universities and private education providers had limited range, or opportunity for engagement in the policy system. In New Zealand, although there was relatively positive feedback about the government's becoming more consultative in the policy-making process, the education professionals interviewed for this research generally believed they were unable to influence governmental policy-making linking study and migration in any but minor ways. From their perspective as representative policy actors in the policy system, the education professionals saw that public and private education providers often rely on and are accountable to government for funding, as well as registration, in their provision of educational services to international students. Thereby, the demands of political economy constrained the involvement of these policy actors in the policy making linking study and migration to a great extent.

The inability to engage in the policy system was particularly evident in the case of international students, who were not represented by any strong lobby groups⁵⁹ and who often felt compelled to conform to political reality if they wanted to obtain a desirable outcome in the skilled migration selection, notwithstanding their awareness of the material considerations of their host country in its desire for revenues as well as its need for skilled workers. The different aspects of policy culture were clearly reflected in the responses to interview questions by the student participants and education professionals in this study, and revealed divergent understandings and expectations of the development of policies linking study and migration.

8.3.2 Implementation of the policy changes

The interviews with the education professionals in Australia revealed their belief that the study-migration pathway needed to more stringently address the growing criticism generated by certain unintended consequences. As policy actors, education professionals could exert little influence on policy development, and they were critical of the way in which the policy changes were carried out. Their reflections on the implementation of the policy changes were consistent with some media commentary at the time (e.g. Trounson, 2010), which was critical of the abruptness with which the policy changes were implemented. While the approach to policy-making and implementation was largely determined by Australia's immigration legislation, the education professionals shared the perception that many of the changes were more pragmatically driven. They were frustrated that in the government's perceived eagerness to respond to public pressure on immigration, the policy changes were applied without giving the sector sufficient time to adapt. It seemed that the government had given greater importance to showing how quickly they could respond to criticism, and how successfully they had managed to correct the unwanted consequences of the policy setting at a politically sensitive time. Therefore, many changes were implemented without due consideration of how they might affect international students, as well as other policy actors in the policy system.

The research findings in New Zealand showed that the relatively minor policy changes were implemented progressively by the government. In contrast to the Australian case, the majority

⁵⁹ As the national peak student representative body for international students studying in Australia, Council of International Students Australia (CISA) came into existence in July 2010.

of the education professionals there reported positive experiences with the 'hands-off' approach taken by New Zealand's government in managing the development of policies linking study and migration.

Comparing the research findings in Australia with those in New Zealand, this study found that there were significant differences between Australia and New Zealand in their approaches to managing changes to the policy setting linking study and migration. These differences and their respective effects on the experiences of the policy development as reported by the research participants will be discussed further in section 8.4.1.

8.3.3 Anticipation of further changes

This research showed that the development of policies linking study and migration was largely shaped by the interplay between policy institutions, policy actors, political economy and policy culture. The findings from interviews conducted with the education professionals indicated that in the foreseeable future, although there were many uncertainties, the policy development in Australia would be determined by the political climate and economic environment and in New Zealand, mainly by the economic environment.

The research findings suggested that for now, it was unlikely that the governments of Australia or New Zealand would completely break the policy link between international education and skilled migration. This finding was not surprising, given that the possibility of obtaining permanent residence had become such a prominent part of the international education industry in both countries.

International education is still an effective way to attract and retain overseas students as skilled migrants, as suggested by many previous studies and corroborated by this research; the possibility of obtaining permanent residence in Australia or New Zealand has provided international students with a strong incentive to study in either country. International education and skilled migration have acted complementarily in supporting economic growth in both countries. The education professionals who participated in this study believed that the policy link between international education and skilled migration should be maintained, while

acknowledging that the policy setting linking study and migration could be potentially improved in a number of areas. This would require the governments of Australia and New Zealand to take a more proactive role in the policy setting if the inherent challenges of linking international education and skilled migration were to be overcome.

8.4 Coping with the policy changes

It was noted earlier in the study that there was quantitative evidence which demonstrated the effect of the policy changes on international student enrolments, yet very little qualitative research was found in the existing literature that described the impact of these changes on international students and other policy actors. The observation was made earlier in this study that most studies in this field had been undertaken from the perspective of governments and academics in the mainstream; research that had attempted to give the perspective of policy actors in the policy systems associated with international education and skilled migration was rare.

In this section, the research provides an interpretive investigation into the impacts and implications of the policy changes in Australia and New Zealand. A principal aim of this section is to summarise the research participants' reflections on 1) the direct impacts of the policy changes for international students; 2) the implications of the policy changes for other policy actors in the policy system; and 3) the challenges and opportunities that stemmed from the policy changes.

8.4.1 Direct impacts of the policy changes

As stated in section 8.1.3, a large number of the student participants were encouraged to seek permanent residence by the policy link that was in place between international education and skilled migration in their host country. The majority of the student participants interviewed for this research were motivated to consider immigration after they had arrived in their host country. It was then that they began to look into the details of the country's skilled migration policy more closely to determine whether they were able to transition to permanent residence after they had completed their studies.

One important finding that emerged from this section of the research was that because of the uncertainty created by changes in their host country's immigration policy, international students often experienced fears of becoming ineligible for skilled migration at any time. This was evident even in cases where students had qualified under the policy current at the time of interview; student participants often described their transition to permanent residence as a race against time. In an earlier finding of this research, it was noted that the approaches taken by the governments of Australia and New Zealand in managing changes to the policy setting were quite different, and the personal experiences of those changes as reported by the Australian and New Zealand student participants were accordingly so.

The research findings in Australia revealed that the policy changes there had considerably hindered the transition of international students to permanent residence. After a series of major changes took place, many international students who were studying in Australia at the time of the interviews, and had been planning to apply for permanent residence upon completion, were rendered ineligible for skilled migration. This altered policy setting served to confuse and adversely affect those overseas students for whom migration had been part of a future plan. In particular, international students who had felt encouraged in their certainty in the previous policy environment, or who felt that they were entitled to permanent residence, were significantly impacted when it was no longer possible for them to obtain that status.

There was also a perception among the student participants in Australia that international students who had already transitioned to permanent residence were 'lucky', a somewhat surprising aspect of the findings, because the skilled migration outcome was not determined by luck, but by the applicant's perceived capacity to make an economic contribution. The element of 'luck' may have referred to the circumstance of timing, in an arbitrary bestowal upon those who had obtained permanent residence before the doors of opportunity abruptly closed. Moreover, this reflection highlighted the uncertainty and unpredictability that the student participants felt towards Australia's development of policies linking study and migration.

By contrast, the student participants in New Zealand reported more positive experiences with the development of policies linking study and migration. While they expressed a similar eagerness to progress through the policy setting and obtain permanent residence as soon as

possible, they made no reference to the element of 'luck'. This may also have reflected the fact that New Zealand's skilled migration policy did not favour former students exclusively, with the exception of those who had a job offer or current employment. Furthermore, as indicated in Section 5.2.1, New Zealand's framework legislation provides a flexible and responsive policy environment for making and amending policy that pertains to immigration at the executive government level. The research participants observed that New Zealand's immigration policy, although subject to regular amendment, did not undergo radical or abrupt changes that would greatly impede the transition of international students to permanent residence. Compared to their counterparts in Australia, the student participants in New Zealand exhibited a sense of security notwithstanding that skilled migration policy there was also liable to change. As a result, these student participants appeared to be focused on obtaining the employment that would enable them to meet the skilled employment requirement rather than dissipating their energies on fears that they might become ineligible for skilled migration at any time.

New Zealand also began the process of tightening the policy link between international education and skilled migration by removing migration incentives from lower level education courses. Owing to the sheer number of overseas student enrolments that the PTE sector had attracted, the impact of the change in policy was widespread. As mentioned previously, this particular cohort of overseas students had been designated more migration-driven than others. This claim could not be validated by this research owing to the small sample size of student participants recruited from the PTE sector.

8.4.2 Other implications of the policy changes

A close correlation, which has been documented by previous research, was found to exist between the possibility of migration and development of the international education industry. This research found that any policy changes that hindered the transition of international students to permanent residence also had an inevitable impact on other policy actors in the policy system.

The interviews with the education professionals in Australia revealed their concerns that Australia's attractiveness as a study destination had been undermined as a consequence of the

policy changes. These concerns were shown to be valid, in the negative trend observed in the international student number figures since 2009/10 (as shown in Figure 2.3). There was also a concern that, apart from the decline of Australia's appeal to international students, the uncertainty and unpredictability wrought by the policy changes has had an even greater impact on Australia's credibility as a study destination. Furthermore, the research findings suggested that the wider population of policy actors, as well as the economy, was vulnerable to the ripple effect of the policy changes; Australia needed, therefore, to effectively arrest the decline in the number of international students.

In New Zealand, the research found that even the minor and progressively implemented policy changes would have implications for policy actors in the policy system. In particular, the consequences for the PTE sector would be significant in situations where vocational education and training courses had been developed exclusively to connect to skilled migration. This potential risk reflects, to a slighter degree, the Australian situation, and signals caution to both countries should the development of their international education industries continue to be dependent on overseas students seeking permanent residence through the policy setting linking study and migration. This finding constitutes a claim that international education and skilled migration cannot be viewed in isolation, and that the impacts of the policy decisions relating to skilled migration on the international education sector are inescapable.

8.4.3 Policy challenges and opportunities

At the time of the interviews, Australia's international education industry was experiencing many serious problems, in a 'perfect storm', as described by people associated with the international education industry (M. Knight, 2011b). These problems were elaborated earlier in this study, and the education professionals in Australia agreed that the government's reactivity was indicative of its focus on economic considerations as well as the complicated governance of the policy setting linking study and migration.

Given the consequent decline in the Australia's international education industry, it was not surprising that New Zealand should have wanted to capitalise on this opportunity and claim prospective international students from Australia's market share in the global competition. The

findings of this research have suggested, however, that Canada might have been a bigger beneficiary than New Zealand in this regard because of its more favourable policies towards international students who were seeking transition to permanent residence. This finding suggests the potential for further research which could examine the development of policies linking study and migration in Canada, and identify similarities and differences between these three countries.

Furthermore, Australia's turmoil in the international education market might even jeopardise New Zealand's export education growth, if New Zealand does not make a greater effort to distinguish itself from Australia. This is particularly critical for New Zealand since it no longer wants to be seen as a 'cheaper alternative' to major study destinations. To advance its position in the international education market, the research findings suggest that New Zealand needs to look beyond Australia, as well as the traditional first-choice study destinations, and recognise the emerging competition in the Asian region. It is also important that New Zealand considers export education from a different perspective and develops, for example, cooperative relationships with international partners rather than continuing to focus solely on its own development in the international education market.

Chapter 9 Conclusions

The two main questions that this study sought to answer were 'how the development of policies linking study and migration in Australia and New Zealand compared from 1998 to 2010', and 'how the policy development impacted international students in their transition to permanent residence'. These research questions gave this thesis a two-part structure: the first part, which comprises Chapters 2-4, provided an extensive comparative survey of the ways in which the policies relating to international education and skilled migration operated in Australia and New Zealand; the second part, which consists of Chapters 6-7, provided insights into how the policy actors, namely international students and education professionals in this study, experienced the development of policies that linked international education and skilled migration in each country.

This chapter concludes this research in four sections. Section 9.1 recounts the main findings of this research. Section 9.2 addresses the limitations of this research. Section 9.3 considers the implications of this research. Section 9.4 proposes suggestions for its improvement and provides recommendation for future research.

9.1 Main findings of this research

In its observation of the relationship between international education and student migration, this research found an affirmative and close connection. The majority of the student participants in this study, regardless of their country of origin, expressed a keen interest in applying for and obtaining permanent residence in their host country. It was found that international students were attracted to study in Australia and New Zealand for various reasons, and that the policy link between international education and skilled migration had added to the attractiveness of both countries as study destinations. This research found that the possibility of obtaining permanent residence had attracted some student participants to undertake study in either Australia or New Zealand. More significantly, it was found that the study-migration link in the policy settings of both countries had served to subsequently

motivate others who had not undertaken international study primarily for the purpose of immigration to the host country.

When examining the policy link between international education and skilled migration, this research found that it was built on mainly material considerations. From the perspective of the education professionals, the policy link was a useful mechanism by which the government could retain talented international students as skilled migrants as well attract international students to study in the country. From the perspective of the student participants, the policy link provided an opportunity to transition to permanent residence in their host country, and thus acquire the lifestyle and opportunities (both material and non-material) that were not available at home.

Although the policy link between international education and skilled migration applied in both countries, it was found that the governments of Australia and New Zealand had very different approaches to managing international students' transition to permanent residence. In the early phase of Australia's study-migration pathway, in the early 2000s, former students, with or without work experience, were exclusively advantaged in the skilled migration selection. This was to change in the later phase. New Zealand's two-step migration has, by contrast, maintained a consistent approach of selectively advantaging former students who were able to secure a job offer or current employment.

When the fieldwork for this research was undertaken, it was noted that the respective policy settings in Australia and New Zealand had undergone various changes since 2007/08. In the light of changes in the policy environment, the policy setting in both countries became increasingly comparable in their requirement that former students transition to permanent residence via employment participation rather than by direct skilled migration. Subsequently, meeting the skilled employment requirement became the key determining factor of achieving that transition. Since that time, it has become increasingly difficult for former students to obtain permanent residence through the policy setting.

By applying the key components of Considine's policy system to examine the development of policies that linked international education and skilled migration, this research found that the

policy settings were products of the interplay between policy institutions, policy actors, political economy and policy culture. Changes in the economic environment (political economy) and public perception (policy culture) were found to have influenced the development of policies linking study and migration in both countries. However, Australia's policy development was somewhat more turbulent because its policy system involved more policy institutions and policy actors with conflicting interests and responsibilities.

Moreover, two distinct approaches were taken by the governments of Australia and New Zealand in managing changes to the policy setting. In order to address the unintended consequences that had arisen, and tighten the study-migration pathway, Australia's policy settings required changes to legislation, and this was only done when there were major changes to be made. Once the legislation was amended, the implementation of new policy was abrupt. New Zealand's policy settings were implemented progressively, and as a result, there was no sudden or major change made in the direction of policy. This variance could be largely attributed to the different approaches of Australia and New Zealand to setting immigration legislation.

As for the impacts and implications of the policy development linking study and migration, this research found that this difference in approach between Australia and New Zealand was reflected in the research participants' respective experiences. In Australia, the absolute advantage enjoyed by former students in the study-migration pathway has vanished. More importantly, the magnitude and rapidity of the policy changes gave rise to much uncertainty among international students and other policy actors in the policy system. By contrast, the more positive experiences reported by the research participants in New Zealand corresponded to the moderate approach to the development of policies linking study and migration taken by the government there.

In this research, Considine's policy system was the analytical instrument for understanding the development of policies that linked international education and skilled migration. It was a useful tool for examining the differences between the policy development in Australia and New Zealand that were consequential to the dissimilarity of policy players and considerations in their respective policy systems. More importantly, it could help reveal the impacts on the

international education sector of policy decisions relating to skilled migration. The development of policies linking study and migration in Australia was found to contain contradictions which led to various unintended consequences for both the international education and migration industries. Considine's framework was able to explain why this was so in terms of the overlapping influences of political economy and policy culture. The play of power dynamics between policy institutions was found to have complicated, to a great extent, the development of policies linking study and migration.

Finally, it can be inferred from Considine's policy system that the policy settings in Australia and New Zealand will continue to shift when policy institutions and policy actors respond to changes in their respective political and economic climates. The development of policies linking study and migration in Australia and New Zealand has continued to progress after the fieldwork undertaken for this research ended in January 2011. In Australia, new Post Study Work Arrangements were available to students who applied for their first student visa after November 2011, and the SkillSelect system has been adopted to assess skilled migration applications since July 2012. In New Zealand, some major developments have also occurred in policies which relate to international students' work rights after January 2014. These new policy settings and their subsequent impacts merit further investigation, and invite the longitudinal research that would be required to examine the relationship between international education, student migration and government policy in greater detail.

9.2 Limitations of this research

This research provided a qualitative description of the relationship between international education, student migration and government policy in an approach that has rarely been taken by previous studies. While the findings of this research have revealed new perspectives for consideration, caution is called for in drawing definitive conclusions because of some inherent limitations. These limitations are addressed below, and may serve as starting points for future research.

The recruitment of research participants proved to be the most challenging task of this research. The research participants were mainly recruited through a small personal network

and through referral by other participants. In addition, the selection of research participants was mostly determined by their willingness and availability to participate in the face-to-face semi-structured interviews. This was particularly relevant to the fieldwork undertaken in New Zealand, where interviews were conducted intensively in Auckland over two ten-day periods in May and November 2010. This time constraint did not permit sufficient flexibility to arrange interviews to suit the availability of all potential research participants and therefore, the final number of participants was reduced.

Forty participants is a reasonable number for a research project employing qualitative methods; I was able to listen to my research participants closely and have some in-depth discussions about their reflections on and experiences with the policy development in Australia and New Zealand. The small sample allowed me to build great rapport with my research participants and understand their experiences at the personal level, which contributed to the depth of analysis I was able to achieve in this study. However, a small sample also meant that the conclusions drawn from the information provided by these 40 research participants was indicative, rather than definitive, in response to the two main research questions.

From the review of the existing literature, it appeared that the policy setting linking study and migration had more relevance for international students studying in the vocational education and training sector than in higher education. Because of this, it was my intention to recruit more student participants from the vocational education and training sector. Ultimately, I was unable to recruit many student participants from this sector and, since the number of student participants from this particular sector is quite low, the discrepancy in the cohorts of the research participants may have given the overall research findings a slant not reflected in reality. The lack of voices representing students in the vocational education and training sector meant that the findings of this research are based primarily on the experiences of international students undertaking education at the degree level or above.

Also, of the 12 student participants in each country, six student participants in New Zealand had been living in the country for five years or more, compared with three student participants in Australia. The majority of the student participants in Australia had begun their studies in 2008/09, and had been in the country fewer years than their counterparts in New Zealand.

Given that this was insufficient time to complete their studies and transition to permanent residence, and time being an often crucial factor in international students' transition to permanent residence, it was not surprising that the student participants in New Zealand showed a higher rate of transition to residence at the time of the interviews. Such a discrepancy in the characteristics of the participant cohorts may have also affected the overall research findings.

Some international students known to me through my early employment in New Zealand also participated in this study. In these existing relationships, a rapport in which they preferred to answer the interview questions and express their personal reflections in their first language was established, although they all spoke English quite fluently. Therefore, by their preference, six interviews were conducted in Mandarin Chinese and Japanese, rather than in English. While all other procedures and questions remained exactly the same, the variation in language used in those interviews may have affected how the research data was interpreted and analysed. Yet this aspect of conducting interviews in languages other than English also deems this research particularly unique and valuable, reflecting as it does the 'real' voice of international students as they related their experiences with the development of policies that linked international education and skilled migration, as actors in the policy system. Apart from offering perspectives which had not been previously sought, this research is therefore additionally valuable for its documentation of international students' perceptions of the policy cultures of their home and host countries as influences in the policy system. This approach to data collection gave this research an important advantage in fulfilling one of its aims, that of accurately reflecting the perspective of international students in Australia and New Zealand. Researchers who do not speak languages other than English would have been unable to undertake such an approach to data collection and analysis.

Almost half of the education professionals in Australia were recruited from education professional organisations such as IEAA and ISANA, while half of those in New Zealand were recruited from the university sector. Their different professional capacities and levels of engagement with the policy system imply varying degrees of understanding and expectation in relation to the policy setting linking study and migration, which is reflected in both their responses to the interview questions and contribution to the research findings.

Owing to the small number of research participants in the sample, the findings of this research cannot be extrapolated to the wider population of policy actors in the policy systems associated with international education and skilled migration in Australia and New Zealand. In addition, because the fieldwork for this research was undertaken between April 2010 and January 2011, and the policy setting linking study and migration has continued to change in both countries since then, this research functions only as a snapshot that has captured the research participants' perceptions and experiences of the development of policies linking study and migration during that particular period.

Finally, the conclusions drawn from the research data are based on my own interpretations as the researcher. My professional experiences in the international education industry and personal interactions with international students will have influenced how I have analysed and interpreted the research data. Therefore, other researchers might have reached different conclusions from their interpretations of the research data. However, my involvement with international students has equipped me with a particular sensibility and insight into the research participants' experiences on the relationship between international education, student migration and government policy and given this research its unique strength.

9.3 Implications of the research findings

This research provided a comprehensive comparison of the development of international education and skilled migration in Australia and New Zealand, with particular reference to the pathways from study to permanent residency that both countries have offered since the late 1990s. In addition, as an exploratory study, this research filled a gap in the literature by providing international students and education professionals with an opportunity to share their reflections on and experiences with the development of policies linking study and migration. This approach validated the interpretive approach to understanding the research topic, established the value of focus on policy actors who had not been counted in previous research, and highlighted the need for a much larger piece of research with this focus. Albeit that the research findings are indicative rather than conclusive (because of the small unrepresentative sample), this study has nevertheless made a significant contribution to enriching our understanding of the research subject in at least three respects.

First, this research is significant in that it has provided selected policy actors in the policy system, namely international students and education professionals, with the opportunity to relate their experiences of the development of policies that linked international education and skilled migration, and the impacts that changes to the policy have had on them as individuals and the sectors they represent. Irrespective of their being important policy actors in the policy systems associated with international education and skilled migration, both groups of research participants had been underrepresented in previous research. Therefore, the incorporation of their experiences and views into the extant knowledge has contributed to a renewed understanding of the development of policies linking study and migration in Australia and New Zealand. More importantly, the findings of this research may provide governments and policy makers with some elucidation of the repercussions of the policy making in linking study and migration.

Second, this research found that, as a consequence of the policy changes in Australia and New Zealand, the ability of international students to meet the skilled employment requirement has become the key determining factor in their transition to permanent residence. A further finding was that former students in both countries often encountered barriers to obtaining work in the local labour market, and that the main barrier preventing employment success was the lack of permanent resident status itself. If international graduates are deprived of equal employment opportunities because of their temporary status, the policy link between international education and skilled migration cannot be considered a success, despite its good intentions. These findings may help to draw attention to such flaws that still exist in the design of the policy link between international education and skilled migration, and alert governments and policy makers to address such administrative obstructions to the policy setting's intention of retaining talented international students as skilled migrants.

Third, the research participants' reflections on their experiences with the policy development were analysed and compared, and they revealed the adverse impacts of uncertainty and unpredictability that had been brought about in Australia by the abrupt policy changes. Given that policies allowing international students to transition to permanent residency involve a high degree of human interest and affect many people's lives, this finding should remind governments and policy makers that a consistent approach to policy-making and

implementation is important, particularly if they seek to prevent further unintended consequences associated with the policy setting linking study and migration.

9.4 Recommendations for future research

As an exploratory study, this research has established the groundwork for an interpretive investigation of the relationship between international education, student migration and government policy, from the perspective of policy actors in the policy system. It has contributed to the theory of that relationship which underlies policy practice, and has thereby broadened the scope for further research in a number of areas of research.

First, future researchers may recruit a sample of student participants that is larger and more diverse in terms of country of origin, educational background, and the time spent in the host country. In particular, the experiences of international students in the vocational education and training sector with immigration policies in the two countries studied here would be an important avenue for research. Following this lead, researchers may obtain a more thorough understanding of the research subject from the perspective of international students. Alternatively, future researchers may consider involving a wider range of policy actors in the policy system, which could include local employers (who have been identified in this research as being reluctant to employ international graduates without permanent residence status), and policy makers (whom, for the purposes of this study, I presumed a collective viewpoint on the policy making in linking study and migration, and therefore excluded from participation). This line of research would garner multiple perspectives, from various relevant personal and professional backgrounds, on the development of policies linking study and migration. A comparative examination could determine whether additional perspectives on policy development align with those of the participants in this study. A greater range of and more nuanced insights into future investigations would be achieved, contributing to a deeper understanding of the relationship between international education, student migration and government policy in Australia and New Zealand.

Second, this research indicated that a similar investigation of the Canadian experience might be fruitful for the expansion of this research's contribution to the existing knowledge. As a

similarly attractive study destination, Canada has also revised its policy setting to facilitate the skilled migration of international students, and recorded strong growth in the number of overseas students over the past years. In addition, a number of research participants in this study have indicated that Canada's policy setting linking study and migration may be more attractive to overseas students than New Zealand's. Therefore, by comparing the Canadian experience with that of Australia and New Zealand, and by examining the similarities and differences between their respective development of policies linking study and migration, future researchers would be equipped to understand the relationship between international education, student migration and government policy from an even broader perspective.

As identified in this study, a longitudinal research investigation is required for further examination of the research subject. Future studies that adopt the recommended approaches would further the understanding of the relationship between international education, student migration and government policy.

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Appendices

Appendix 1 A comparative summary of international student policy in Australia and New Zealand

	Australia	New Zealand
	Visa Application	
Travel	Return air fare (Home country ↔ Australia)	Return air fare (Home country ↔ New Zealand)
Tuition Fee	International student fees apply to both undergraduate and postgraduate study	<ul style="list-style-type: none"> International student fees apply to both undergraduate and postgraduate study except PhD study Domestic student fees apply to PhD study
Living Cost	<ul style="list-style-type: none"> Applicant – AUD18,610 per year (=NZD23,510) Partner – AUD6,515 per year⁶⁰ (=NZD8,230) 	<ul style="list-style-type: none"> Applicant - NZD15,000 per year⁶¹ (=AUD11,870)
English Language	<ul style="list-style-type: none"> Postgraduate - IELTS 6.5 Undergraduate - IELTS 6 VET/TAFE - IELTS 5.5⁶² 	No English requirement for applying for a student visa
	Policy incentives	
Work Rights	<ul style="list-style-type: none"> Applicant - up to 20 hours per week during semesters and unlimited hours during breaks (In the past, students had to apply for work permit once they arrived in Australia, it has become an automatic condition from April 2008) 	<ul style="list-style-type: none"> Applicant - up to 20 hours per week during semesters and unlimited hours during breaks (15 hours in March 1999, extended to 20 hours in July 2005)
	<ul style="list-style-type: none"> Spouse of vocational or undergraduate students can work up to 20 hours per week Spouse of postgraduate students can work full time 	<ul style="list-style-type: none"> Spouse of undergraduate students can apply for a visitor visa, but are not allowed to work Spouse of students in courses in long term skilled shortage area can work full time Spouse of postgraduate students can work full time
Dependent Children	<ul style="list-style-type: none"> Unless exempted, international students are fully responsible for school fees of their dependent children (Exemption condition varies by states) 	<ul style="list-style-type: none"> International students are fully responsible for school fees of their dependent children except PhD students Dependent children of PhD students are classified as domestic students in New Zealand state schools
	Opportunity after study	
Job Search	Skilled graduate visa – up to 18 months (Introduced in September 2007)	Graduate job search permit - up to 12 months (Introduced 6 months permit in July 2005, extended to 12 months in November 2007)
	No job offer is required but students must have completed two years study in Australia, score at least 6 at each IELTS component and their qualifications have been recognised by a relevant accrediting authority	No job offer is required but students must have successfully completed a qualification in New Zealand that meets the study to work qualification requirements

⁶⁰ Student visa living costs and evidence of funds, <http://www.immi.gov.au/students/student-visa-living-costs.htm>

⁶¹ Requirements, <http://www.immigration.govt.nz/migrant/stream/study/canistudyinnewzealand/whatisrequired/>

⁶² IELTS Score required for student visa of Australia, <http://immi-au.blogspot.com.au/2009/09/ielts-score-required-for-student-visa.html>

Appendix 2 Points allocated under Australia's GSM programme

FACTOR	DESCRIPTION	POINTS
Age	18 - 24	25
	25 - 32	30
	33 - 39	25
	40 - 44	15
	45 - 49	0
Qualifications (Australian or recognised overseas)	Australian Diploma or trade qualification or other qualification recognised by a relevant Assessing Authority	10
	At least a Bachelor degree	15
	Doctorate	20
Australian or overseas skilled employment in nominated occupation or a closely related occupation undertaken in the past 10 years	1 year in Australia	5
	3 years in Australia	10
	5 years in Australia	15
	8 years in Australia	20
	3 years overseas	5
	5 years overseas	10
	8 years overseas	15
	Note: Maximum points that can be awarded for any combination of Australian or overseas skilled employment is 20 points	
English language or equivalent standard in a specified test (*in each component)	Competent English - IELTS 6	0
	Proficient English - IELTS 7	10
	Superior English - IELTS 8	20
Australian study requirement	Minimum 2 years full-time (Australian study requirement)	5
Study in a regional area	Must meet the Australian Study Requirement while studying in a regional area	5
Professional Year	Completion of a recognised Professional Year	5
Credentialed Community language	NAATI accreditation	5
Partner skills	Primary applicants partner meets threshold requirements for skilled migration visa	5
Nomination by state/territory government (subclass 176 or 886 visa)	Nomination by a state or territory government under a state migration plan	5
Designated area sponsorship or nominated by state/territory government (subclass 475 or 487 visa)	Sponsorship by an eligible relative living in a designated area or nomination by a state or territory government under a state migration plan	10

Note. Adapted from Points Test for Certain Skilled Migration Visas, DIAC, 2011.

Appendix 3 A comparative summary of the skilled migration policy in Australia (prior and after November 2010)

Criteria	Prior to November 2010 (120 pass mark)	After November 2010 (65 pass mark)
Age	<ul style="list-style-type: none"> 18-29 (30) 30-34 (25) 35-39 (20) 40-44 (15) 	<ul style="list-style-type: none"> 18-24 (25) 25-32 (30) 33-39 (25) 40-44 (15) 45-49 (0)
English	<ul style="list-style-type: none"> Concessional Competent English (6/9 average for IELTS) (15) Competent English (6/9 in each component of IELTS) (15) Proficient English (7/9 in each component of IELTS) (25) <p>(prior to 2005 students were exempted from English language test)</p>	<ul style="list-style-type: none"> IELTS 6 (0) IELTS 7 (10) IELTS 8 (20) <p>(required even the qualification is obtained in Australia)</p>
Qualification	<ul style="list-style-type: none"> Degree, Diploma or Trade (5) Masters, Honours plus Bachelor (15) PhD (25) <p>(Australian qualifications only)</p>	<ul style="list-style-type: none"> AQF III/IV & Diploma (10) Bachelor (15) PhD (20) <p>(both Australian and overseas qualifications) (PG study below PhD does not accrue extra points)</p>
Skilled Employment	<ul style="list-style-type: none"> Specialised professional or trade occupation on MODL (60) General professional occupation on MODL (50) Other general skilled occupations on MODL (40) 	Nominates an occupation on the SOL, but points are not awarded on the basis of occupation
Work Experience	<ul style="list-style-type: none"> 3 years of past 4 years in 60 point occupation (10) 3 years of past 4 years in an occupation on the SOL (5) Australia work experience - 1 year of past 4 years (10) 	<ul style="list-style-type: none"> Australian Experience - 5 years of past 7 years (15) Australian Experience - 3 years of past 5 years (10) Australian Experience - 1 years of past 2 years (5) Overseas Experience - 8 years of past 10 years (15) Overseas Experience - 5 years of past 7 years (10) Overseas Experience - 3 years of past 5 years (5) <p>(Maximum points that can be awarded is 20 points)</p>
Nomination	<ul style="list-style-type: none"> Nominated by state or territory government (10) Regional sponsored application (25) 	<ul style="list-style-type: none"> Nomination by a state or territory government (5) Regional sponsored application (10)
Local study	<ul style="list-style-type: none"> Regional study (5) Completed a recognised Professional Year (10) 	<ul style="list-style-type: none"> Australian study - minimum 2 years fulltime (5) Regional study (5) Complete a recognised Professional Year (5)
Others	<ul style="list-style-type: none"> Partner skills (5) Designated language skills (5) 	<ul style="list-style-type: none"> Partner skills (5) Designated language skills (5)
Processing Priority		In order of regional sponsored, employer sponsored, State/Territory sponsored and independent application (from 2009)

Appendix 4 Points allocated under New Zealand's SMC programme

FACTORS	POINTS
Age	
20 – 29	30
30 – 39	25
40 – 44	20
45 – 49	10
50 – 55	5
Qualification	
Recognised level 4-6 qualification (e.g. trade qualification, diploma)	40
Recognised level 7 or 8 qualification (e.g. bachelor degree, bachelor degree with Honours, postgraduate certificate or diploma)	50
Recognised level 9 or 10 postgraduate qualification (Master's degree, Doctorate)	60
Bonus points for qualifications	
2 years of full-time study in New Zealand completing a recognised bachelor degree (level 7) New Zealand qualification	10
1 year of full-time study in New Zealand completing a recognised postgraduate New Zealand qualification	10
2 years of full-time study in New Zealand completing a recognised postgraduate New Zealand qualification	15
Qualification in an identified future growth area	10
Qualification in an area of absolute skill shortage	10
Partner qualifications – recognised level 4-6 qualification	10
– recognised level 7 + qualification	20
Skilled Employment	
Current skilled employment in New Zealand for 12 months or more	60
Offer of skilled employment in New Zealand or current employment in New Zealand for less than 12 months	50
Bonus points for employment or offer of employment	
In an identified future growth area	10
In an area of absolute skills shortage	10
In a region outside Auckland	10
Partner employment or offer of employment	20
Relevant work experience	
2 years	10
4 years	15
6 years	20
8 years	25
10 years	30
Additional bonus points if work experience in New Zealand	
1 year	5
2 years	10
3 years or more	15
Additional bonus points for work experience in an identified future growth area	
2 – 5 years	10
6 years or more	15
Additional bonus points for work experience in an area of absolute skills shortage	
2 – 5 years	10
6 years or more	15
Bonus points for family	
Close family in New Zealand	10

Note. Adapted from Self-Assessment Guide for Residence in New Zealand, Immigration New Zealand, 2011.

Appendix 5 A comparative summary of the skilled migration criteria between Australia and New Zealand as announced in November 2010

Criteria	Australia (award points/pass mark: 65)	New Zealand (award points/pass mark: 140)
Age	<ul style="list-style-type: none"> 18 - 24 (25) 25 - 32 (30) 33 - 39 (25) 40 - 44 (15) 45 - 49 (0) 	<ul style="list-style-type: none"> 20 - 29 (30) 30 - 39 (25) 40 - 44 (20) 45 - 49 (10) 50 - 55 (5)
English	<ul style="list-style-type: none"> IELTS 6 (0) IELTS 7 (10) IELTS 8 (20) 	IELTS 6.5 (no points are awarded for English language proficiency) (not required if the applicant obtained the educational qualification in New Zealand and has met a minimum 2 year study – level 5)
Qualification	<ul style="list-style-type: none"> AQF III/IV & Diploma (10) Bachelor (15) PhD (20) <p>Postgraduate qualifications below PhD do not accrue extra points</p>	<ul style="list-style-type: none"> Trade & Diploma - level 4-6 (40) Bachelor & Bachelor with Honours - level 7-8 (50) Master & PhD - level 9-10 (60) In an identified future growth area (10) In an area of absolute skill shortage (10)
Skilled employment	<ul style="list-style-type: none"> Nominates an occupation on the SOL, but points is awarded on the basis of occupation. Needs to obtain a positive outcome of skills assessment from a relevant assessing authority in Australia. 	<ul style="list-style-type: none"> Skilled employment in New Zealand for 12 months or more (60) Job Offer or employment in New Zealand for less than 12 months (50) In an identified future growth area (10) In an area of absolute skills shortage (10) In a region outside Auckland (10)
Work experience	<ul style="list-style-type: none"> Australian Experience - 5 years of past 7 years (15) Australian Experience - 3 years of past 5 years (10) Australian Experience - 1 years of past 2 years (5) Overseas Experience - 8 years of past 10 years (15) Overseas Experience - 5 years of past 7 years (10) Overseas Experience - 3 years of past 5 years (5) <p>(Maximum points that can be awarded for any combination of Australian or overseas skilled employment is 20 points)</p>	<ul style="list-style-type: none"> Relevant work experience - 2 years (10) Relevant work experience - 4 years (15) Relevant work experience - 6 years (20) Relevant work experience - 8 years (25) Relevant work experience - 10 years (30) New Zealand experience 1 year (5) New Zealand experience 2 year (10) New Zealand experience 3 year (15) In an identified future growth area 2-5 years (10) In an identified future growth area 6+ years (15) In an area of absolute skills shortage 2-5 years (10) In an area of absolute skills shortage 6+ years (15)
Local study	<ul style="list-style-type: none"> Australian study - minimum 2 years fulltime (5) Regional study (5) Complete a recognised Professional Year (5) 	<ul style="list-style-type: none"> Minimum 2 years fulltime completing Bachelor (10) 1 year fulltime completing PG qualification (10) 2 years fulltime completing PG qualification (15)
Others	<ul style="list-style-type: none"> Partner skills (5) Designated language skills (5) 	<ul style="list-style-type: none"> Partner qualification – below Bachelor (10) Partner qualification – Bachelor and above (20) Partner employment or offer of employment (20) Close family in New Zealand (10)
Nomination	<ul style="list-style-type: none"> Nomination by a state or territory government (5) Regional sponsored application (10) 	
Processing priority	In order of regional sponsored, employer sponsored, State/Territory sponsored and independent application (since 2009)	In order of total points of 140 or above, 100 – 139, 100 and above, plus an offer of skilled employment or current skilled work in New Zealand.



MEMORANDUM

Auckland University of Technology Ethics Committee (AUTEC)

To: Marilyn Waring
From: **Madeline Banda** Executive Secretary, AUTEC
Date: 24 September 2009
Subject: Ethics Application Number 09/201 **International education, educational immigration and government policy: a comparative study of Australia and New Zealand.**

Dear Marilyn

I am pleased to advise that the Auckland University of Technology Ethics Committee (AUTEC) approved your ethics application at their meeting on 14 September 2009, subject to the following conditions:

1. Provision of a revised response to section B.7 of the application, answering the question asked in relation to the research under consideration. The researcher and applicant are advised to read AUTEC's prompts for answering this section in the relevant Frequently Asked Question article on the Ethics Knowledge Base (accessible online via <http://www.aut.ac.nz/research/research-ethics>). AUTEC advises that AUT currently does not have Kaumatua and that this part of the response requires further clarification;
2. Provision of revised responses to part F of the application, reflecting AUTEC's standard requirements that the data and Consent forms are securely and separately stored on AUT premises for six years once analysis is completed and destroyed at the end of that time. Alternative arrangements need to be clearly justified and identified in the documentation;
3. Clarification of whether or not ethics approval is required from Australian institutions and provision of evidence that this has occurred if it is;
4. Clarification of how online discussion will be managed, monitored and recorded and provision of clear information about this in the Information Sheet.

I request that you provide the Ethics Coordinator with a written response to the points raised in these conditions at your earliest convenience, indicating either how you have satisfied these points or proposing an alternative approach. AUTEC also requires written evidence of any altered documents, such as Information Sheets, surveys etc. Once this response and its supporting written evidence has been received and confirmed as satisfying the Committee's points, you will be notified of the full approval of your ethics application.

When approval has been given subject to conditions, full approval is not effective until *all* the concerns expressed in the conditions have been met to the satisfaction of the Committee. Data collection may not commence until full approval has been confirmed. Should these conditions not be satisfactorily met within six months, your application may be closed and you will need to submit a new application should you wish to continue with this research project.

When communicating with us about this application, we ask that you use the application number and study title to enable us to provide you with prompt service. Should you have any further enquiries regarding this matter, you are welcome to contact Charles Grinter, Ethics Coordinator, by email at ethics@aut.ac.nz or by telephone on 921 9999 at extension 8860.

Yours sincerely

Madeline Banda
Executive Secretary
Auckland University of Technology Ethics Committee

Cc: Beibei Chiou beibei.chiou@gmail.com, beichi86@aut.ac.nz, Edwina Pio



MEMORANDUM

Auckland University of Technology Ethics Committee (AUTEC)

To: Marilyn Waring
From: **Madeline Banda** Executive Secretary, AUTEC
Date: 22 October 2009
Subject: Ethics Application Number 09/201 **International education, educational immigration and government policy: a comparative study of Australia and New Zealand.**

Dear Marilyn

Thank you for providing written evidence as requested. I am pleased to advise that it satisfies the points raised by the Auckland University of Technology Ethics Committee (AUTEC) at their meeting on 14 September 2009 and that I have approved your ethics application. This delegated approval is made in accordance with section 5.3.2.3 of AUTEC's *Applying for Ethics Approval: Guidelines and Procedures* and is subject to endorsement at AUTEC's meeting on 9 November 2009.

Your ethics application is approved for a period of three years until 22 October 2012.

I advise that as part of the ethics approval process, you are required to submit the following to AUTEC:

- A brief annual progress report using form EA2, which is available online through <http://www.aut.ac.nz/research/research-ethics>. When necessary this form may also be used to request an extension of the approval at least one month prior to its expiry on 22 October 2012;
- A brief report on the status of the project using form EA3, which is available online through <http://www.aut.ac.nz/research/research-ethics>. This report is to be submitted either when the approval expires on 22 October 2012 or on completion of the project, whichever comes sooner;

It is a condition of approval that AUTEC is notified of any adverse events or if the research does not commence. AUTEC approval needs to be sought for any alteration to the research, including any alteration of or addition to any documents that are provided to participants. You are reminded that, as applicant, you are responsible for ensuring that research undertaken under this approval occurs within the parameters outlined in the approved application.

Please note that AUTEC grants ethical approval only. If you require management approval from an institution or organisation for your research, then you will need to make the arrangements necessary to obtain this. Also, if your research is undertaken within a jurisdiction outside New Zealand, you will need to make the arrangements necessary to meet the legal and ethical requirements that apply within that jurisdiction.

When communicating with us about this application, we ask that you use the application number and study title to enable us to provide you with prompt service. Should you have any further enquiries regarding this matter, you are welcome to contact Charles Grinter, Ethics Coordinator, by email at ethics@aut.ac.nz or by telephone on 921 9999 at extension 8860.

On behalf of the AUTEC and myself, I wish you success with your research and look forward to reading about it in your reports.

Yours sincerely

Madeline Banda

Executive Secretary

Auckland University of Technology Ethics Committee

Cc: Beibei Chiou beibei.chiou@gmail.com, beichi86@aut.ac.nz, Edwina Pio



MEMORANDUM

Auckland University of Technology Ethics Committee (AUTEC)

To: Marilyn Waring
From: **Madeline Banda** Executive Secretary, AUTEC
Date: 22 April 2010
Subject: Ethics Application Number 09/2011 **International education, educational immigration and government policy: a comparative study of Australia and New Zealand.**

Dear Marilyn

I am pleased to advise that I have approved minor amendments to your ethics application, allowing a change of research methods from online focus groups to semi-structured interviews, and a reduction of participant numbers. This delegated approval is made in accordance with section 5.3.2 of AUTEC's *Applying for Ethics Approval: Guidelines and Procedures* and is subject to endorsement at AUTEC's meeting on 10 May 2010.

I remind you that as part of the ethics approval process, you are required to submit the following to AUTEC:

- A brief annual progress report using form EA2, which is available online through <http://www.aut.ac.nz/research/research-ethics>. When necessary this form may also be used to request an extension of the approval at least one month prior to its expiry on 22 October 2012;
- A brief report on the status of the project using form EA3, which is available online through <http://www.aut.ac.nz/research/research-ethics>. This report is to be submitted either when the approval expires on 22 October 2012 or on completion of the project, whichever comes sooner;

It is a condition of approval that AUTEC is notified of any adverse events or if the research does not commence. AUTEC approval needs to be sought for any alteration to the research, including any alteration of or addition to any documents that are provided to participants. You are reminded that, as applicant, you are responsible for ensuring that research undertaken under this approval occurs within the parameters outlined in the approved application.

Please note that AUTEC grants ethical approval only. If you require management approval from an institution or organisation for your research, then you will need to make the arrangements necessary to obtain this. Also, if your research is undertaken within a jurisdiction outside New Zealand, you will need to make the arrangements necessary to meet the legal and ethical requirements that apply within that jurisdiction.

When communicating with us about this application, we ask that you use the application number and study title to enable us to provide you with prompt service. Should you have any further enquiries regarding this matter, you are welcome to contact Charles Grinter, Ethics Coordinator, by email at ethics@aut.ac.nz or by telephone on 921 9999 at extension 8860.

On behalf of the AUTEC and myself, I wish you success with your research and look forward to reading about it in your reports.

Yours sincerely

Madeline Banda
Executive Secretary
Auckland University of Technology Ethics Committee

Cc: Beibei Chioubeibei.chiou@gmail.com, beichi86@aut.ac.nz, Edwina Pio

Appendix 7 Background questionnaires

BACKGROUND QUESTIONNAIRE - AUSTRALIA

1. What is your gender?

- ☐ Male
☐ Female

2. Which age range would you be in?

- ☐ Under 20
☐ 20-24
☐ 25-29
☐ 30-34
☐ 35-39
☐ 40 or above

3. What is your country of origin?

- ☐ Africa
☐ Asia
 ☐ China
 ☐ Hong Kong
 ☐ India
 ☐ Indonesia
 ☐ Japan
 ☐ Malaysia
 ☐ South Korea
 ☐ Thailand
 ☐ Other, please state _____
☐ Canada or the United States
☐ Central or South America
☐ Europe
☐ Middle East
☐ Pacific
☐ Other, please state _____

4. Which country were you living in, before you came to Australia? Please state _____

5. In which countries have you undertaken your study?

- ☐ Australia
☐ New Zealand
☐ Both of the above
☐ Other, please state _____

6. What is your most current educational qualification?

- ☐ English language intensive courses for overseas students (**ELICOS**)
☐ **Higher education** – courses at degree level and above offered by universities
☐ **Schools** – primary and secondary schools
☐ **Vocational education and training (VET)** – including four levels of certificates, diplomas and advanced diplomas offered by public Technical and Further Education (TAFE) Institutes, private colleges and training providers

7. What are the courses which you are/were studying?

- ☐ Agriculture, environmental and related studies
- ☐ Architecture and building
- ☐ Education
- ☐ Engineering, manufacturing and construction
- ☐ Food, hospitality and services
- ☐ Health and welfare
- ☐ Humanities and arts
- ☐ Information technology
- ☐ Sciences
- ☐ Social science, business and law
- ☐ Not known
- ☐ Other, please state _____

8. Have you completed the course for which you travelled overseas to do?

- ☐ Yes
- ☐ No

9. Where are you located now?

- ☐ Australia
- ☐ New Zealand
- ☐ Other, please state _____

10. What is your current residence status?

- ☐ 18 month transition visa - Skilled - Graduate (subclass 485)
- ☐ 3 year provisional visa - Skilled - Regional Sponsored (subclass 487)
- ☐ Australia citizen
- ☐ Australia permanent visa - Skilled - Independent (subclass 885)
- ☐ Australia permanent visa - Skilled - Regional (subclass 887)
- ☐ Australia permanent visa - Skilled - Sponsored (subclass 886)
- ☐ New Zealand citizen
- ☐ New Zealand permanent resident
- ☐ Other permanent visa
- ☐ Other temporary visa
- ☐ Student visa
- ☐ Visitor visa
- ☐ Other, please state _____

BACKGROUND QUESTIONNAIRE – NEW ZEALAND

1. What is your gender?

- ☐ Male
☐ Female

2. Which age range would you be in?

- ☐ Under 20
☐ 20-24
☐ 25-29
☐ 30-34
☐ 35-39
☐ 40 or above

3. What is your country of origin?

- ☐ Africa
☐ Asia
☐ China
☐ Hong Kong
☐ India
☐ Indonesia
☐ Japan
☐ Malaysia
☐ South Korea
☐ Thailand
☐ Other, please state _____
☐ Canada or the United States
☐ Central or South America
☐ Europe
☐ Middle East
☐ Pacific
☐ Other, please state _____

4. Which country were you living in, before you came to New Zealand? Please state

5. In which countries have you undertaken your study?

- ☐ New Zealand
☐ Australia
☐ Both of the above
☐ Other, please state _____

6. What is your most current educational qualification?

- ☐ **English language providers** – general and academic English courses
☐ **Private training establishments** – post-school education and training offered by non-state-owned organisations while registered with NZQA
☐ **Public tertiary education institutions** – post-secondary school education and training offered by universities, institutes of technology and polytechnics, wananga, adult and community education providers
☐ **Schools** – primary, intermediate and secondary schools

7. What are the courses which you are/were studying?

- ☐ Agriculture, environmental and related studies
- ☐ Architecture and building
- ☐ Education
- ☐ Engineering, manufacturing and construction
- ☐ Food, hospitality and services
- ☐ Health and welfare
- ☐ Humanities and arts
- ☐ Information technology
- ☐ Sciences
- ☐ Social science, business and law
- ☐ Not known
- ☐ Other, please state _____

8. Have you completed the course for which you travelled overseas to do?

- ☐ Yes
- ☐ No

9. Where are you located now?

- ☐ New Zealand
- ☐ Australia
- ☐ Other, please state _____

10. What is your current residence status?

- ☐ Australia citizen
- ☐ Australia permanent resident
- ☐ Employer sponsored work visa
- ☐ Graduate job search permit
- ☐ New Zealand citizen
- ☐ New Zealand permanent resident
- ☐ Other permanent visa
- ☐ Other temporary visa
- ☐ Student visa
- ☐ Visitor visa
- ☐ Work to residency visa
- ☐ Other, please state _____

Appendix 8 List of the student participants

Country	Name	Country of Origin	Age Range	Gender	Educational Background	Field of Study	Visa Status	Interview Date
Australia	Amir	Iran	35-39	Male	Doctoral graduate, University	Mining Economy	Employer sponsored work visa	16/05/2010
	Fang	China	25-29	Female	Master graduate, University	Human Resource Management	Graduate visa	23/04/2010
	Farah	Iran	30-34	Female	Doctoral student, University	Paediatrics	Student visa	18/06/2010
	Guy	Zimbabwe	25-29	Male	Bachelor graduate, University	Health & Welfare, Nursing	Permanent visa	15/05/2010
	Hassan	Iran	30-34	Male	Master student, University	Veterinary Science	Student visa	29/05/2010
	Katy	Finland	25-29	Female	Bachelor student, University	Business	Student visa	19/08/2010
	Laila ⁶³	Iran	25-29	Female	Master student, University	Environmental Management	Student visa	7/12/2010
	Liang	Singapore	25-29	Male	Master student, University	Property Management	Student visa	11/12/2010
	Neil	Nigeria	25-29	Male	Master graduate, University	Accounting	Bridging visa	29/04/2010
	Qian	China	20-24	Female	Master student, University	Environmental Management	Student visa	11/12/2010
	Raj	India	25-29	Male	Master graduate, University	International Business	Graduate visa	27/04/2010
	Zhen	China	20-24	Female	Master student, University	Environmental Management	Student visa	7/12/2010

⁶³ Laila transitioned to permanent residence through the protection (humanitarian) scheme in 2011.

Country	Name	Country of Origin	Age Range	Gender	Educational Background	Field of Study	Visa Status	Interview Date
New Zealand	Benita	Taiwan	25-29	Female	Graduate Diploma graduate, University	Hospitality Management	Employer sponsored work visa	2/05/2010
	Bo	China	25-29	Male	Bachelor graduate, University	Information Technology	Permanent resident	3/05/2010
	Emiko	Japan	25-29	Female	Diploma student, PTE	Landscape Design	Student visa	31/10/2010
	Hamid	Pakistan	30-34	Male	Master student, University	Management	Work to residency visa	2/11/2010
	Hiroshi	Japan	40 or above	Male	Doctoral student, University	Education	Permanent resident	7/05/2010
	Hugh	Nigeria	25-29	Male	Doctoral student, University	Business Informational Technology	Student visa	3/11/2010
	Jackie	Hong Kong	30-34	Male	Master student, University	Business Information Technology	Student visa	3/11/2010
	LiLi	China	25-29	Female	Bachelor graduate, University	Education, Social science	Permanent resident	5/05/2010
	Makoto	Japan	30-34	Male	Diploma graduate, PTE	Cookery	Employer sponsored work visa	3/05/2010
	Roslyn	Taiwan	20-24	Female	Bachelor graduate, University	Commerce	Permanent resident	2/05/2010
	Tanya	India	20-24	Female	Postgraduate Diploma student, University	Accounting	Student visa	5/05/2010
	Xia	China	30-34	Female	Bachelor graduate, University	Accounting	Permanent resident	2/05/2010

Appendix 9 List of the education professionals

Country	Name	Gender	Education Sector & Position	Interview Date
Australia	Ada	Female	Administrator, State College	30/08/2010
	Ashlee	Female	Migration Agent	25/05/2010
	Clinton	Male	Manager, TAFE	27/08/2010
	Katharine	Female	Board Member, IEAA	27/09/2010
	Max	Male	Dean, University	17/01/2011
	Paulina	Female	Administrator, University	28/04/2010
	Rose	Female	International Education Consultant	18/08/2010
	Tia	Female	International Education Business Consultant	1/09/2010
New Zealand	Aaron	Male	International Education Researcher	4/11/2010
	Colin	Male	Career Advisor, University	4/11/2010
	Darren	Male	Director, PTE	7/05/2010
	Erika	Female	Migration Agent	5/05/2010
	Hillary	Female	Director, University	2/11/2010
	Marie	Female	Director, English School	5/05/2010
	Nathan	Male	PVC, University	3/11/2010
	Sharron	Female	Chinese Student Advisor, University	2/11/2010

INTERVIEW GUIDELINES

INTERNATIONAL STUDENTS



1. Please tell me your name and contact details.
2. Please briefly describe your current status.
3. Was Australia/New Zealand your first choice of study destination?

YES



What were the reasons you chose to study in Australia/New Zealand?

NO



- a) Which country was your first choice?
- b) What was the reason you didn't go to the country of your first choice?
- c) Was Australia/New Zealand your only other choice?
- d) What were the reasons you chose to study in Australia/New Zealand?

4. Studies show that a great number of international students have a special interest in obtaining permanent residency after graduation. What is your view?
5. Do you have any friends who considered migrating to Australia/New Zealand?
6. Have you considered migrating to Australia/New Zealand during your study?
7. What does Australia/New Zealand permanent residency mean to you?
8. Have you sought information about the government immigration policy towards international students?
9. How did you collect relevant information on the immigration policy towards international students?
10. Among all information you have received on the relevant immigration policy, were you aware of any policy changes in the past years?

YES



- a) Were these changes surprising?
- b) How did you feel about these changes?
- c) Why do you think the government made these changes?
- d) In your view, who has benefited by these changes?

NO



Already Permanent Resident

- a) Tell me about your experience of obtaining permanent residency.
- b) How long did it take?
- c) What was involved in the process?

e) How have they benefited from these changes?

f) Has anyone been disadvantaged by these changes?

g) How have they been disadvantaged?

h) What impacts have these changes had on you?

Not Yet Permanent Resident

a) Are you aware of the current immigration policy that applies to you?

b) Are you planning to apply for permanent residency?

c) How are you planning to apply for permanent residency?

11. During your study, were you aware any government policy that has been useful to you as an international student?

YES



a) Can you please give me an example?

b) Why was it useful?

NO



What policy, you think, might have been useful to you as an international student?

12. In your view, has any government policy been introduced as a result of the influence of international students?

YES



Can you please give me an example?

NO



Do you think international students have any influence on the government policy making?

YES – Can you please me an example?

13. In your view, does the government immigration policy favour former students who studied in Australia/New Zealand? (e.g. allocating extra points to PR applicants with local education background)

14. In your view, is the current immigration policy attractive enough to future international students?

YES



What are the main attractions of the current Australia/New Zealand immigration policy?

NO



What policy should the government consider in order to attract future international students?

15. Is there anything else you would like to share from your experience as an international student?

INTERVIEW GUIDELINES

EDUCATION PROFESSIONALS



1. Please tell me your name and contact details.
2. Please briefly describe your current role or position.
3. What is your involvement in international education?
4. From your experience or understanding, what are the reasons for international students to choose Australia/New Zealand as their study destination?
5. Studies show that a great number of international students have a special interest in obtaining permanent residency after graduation. What is your view?
6. From your understanding, what does Australia/New Zealand permanent residency mean to international students?
7. In the last few years, were you aware of any changes in Australia/New Zealand government policy towards international students?

YES



NO



- a) Which ones were you aware of?
 - b) Were these changes surprising?
 - c) What were your thoughts about these changes?
 - d) How have these changes been implemented?
 - e) Why do you think the government made these changes?
 - f) In your view, who has benefited by these changes?
 - g) How have they benefited from these changes?
 - h) Has anyone been disadvantaged by these changes?
 - i) How have they been disadvantaged?
8. From your experience, which stakeholders have important role in the relevant policy making?
 9. Who were the most influential ones?
 10. How have they been exercising their influence?
 11. From your experience, what were the key considerations that shaped the international education policy?
 12. What were the considerations that shaped the government immigration policy towards international students?
 13. How have these considerations influenced the policy making process for educational immigration?

14. In your view, has any government policy been introduced as a result of the influence of international students?

YES



Can you please give me an example?

NO



Do you think international students have any influence on the government policy making?

YES – Can you please me an example?

15. Was any government policy appreciated by international students?

YES



a) Can you please give me an example?

b) Why were they being appreciated by international students?

NO



What policy, you think, might be appreciated by international students?

16. In your view, does current government immigration policy favour former students who studied in Australia/New Zealand? (e.g. allocating bonus points to PR applicants when they complete education in Australia/New Zealand)

17. In your view, if the government immigration policy no longer favours former students, what impact will this have on the international education industry?

18. In your view, would the government immigration policy towards international students change in the next couple of years?

YES



How would the government immigration policy towards international students change?

NO



Why not?

19. Is there anything else you would like to add?

Participant Information Sheet



Date Information Sheet Produced

1/04/2010

Project title

International education, educational immigration and government policy: A comparative study of Australia and New Zealand

An invitation

My name is Beibei Chiou, and I am a PhD student of AUT University. You are invited to participate in this study which seeks to explore the relationships between international education, educational immigration and government policy. Your participation is entirely voluntary. Thus you may refuse to participate at any stage for whatever reason and withdraw at any time prior to participation or at any point during the research.

What is the purpose of this research?

This research is a comparative study of Australia and New Zealand. The purpose of this research is to explore the political, economic and social considerations that shape government policy-making towards international students and educational immigration, and what impact these changes had on international students. This research also aims to explore the power relations between the government and international students.

How was I chosen for this invitation?

You are invited to participate in this research because of your experience and/or knowledge in the international education industry. You may be an international student who has studied in the higher/vocational education and training (VET)/tertiary education sector in Australia or New Zealand. Or you are someone who is professionally involved in the international education/migration industry such as government policy maker or politician, education researcher and/or scholar, education/migration agent, administrative staff working in private/public tertiary education institutions, or other relevant stakeholder.

What will happen in this research?

You are invited to participate in a face-to-face semi-structured interview. If you agree to be interviewed, you will receive a copy of questions before hand so you know what will be asked. The researcher will come to meet you at a place of your choice at the agreed time. You will be asked to comment on the changes of government policy towards international students and educational immigration. With your permission, the interview will be recorded with a digital recorder. The interview record will later be transcribed verbatim by either the researcher or a confidential professional transcriber. You will be offered a digital copy of your interview and the transcript to review, change, explain or clarify as you see fit.

What are the discomforts and risks?

There are no anticipated discomforts or risks associated with being in this research. However if English is not your native language, you may struggle to express yourself with perfection. It may be frustrating when this happens.

How will these discomforts and risks be alleviated?

You will not need perfect English to participate in this research. However, an interpreter in your language can be arranged if required.

What are the benefits?

You are contributing to a better understanding of the relationships between international education, educational immigration and government policy, which hopefully can provide significant implication for further policy development in this sector. However there are no direct benefits to you for participating in this research.

How will my privacy be protected?

Pseudonyms will be used in written material and any specific details will be changed to protect your identity. Furthermore, all raw data such as digital voice records, transcripts, notes and electronic files will be kept in a secured environment and destroyed within three months after the oral examination of the thesis.

What are the costs of participating in this research?

The only cost of participating in this research is your valuable time. If you agree to participate in this research, you will spend approximately one hour in a setting of fact-to-face semi-structured interview. The researcher will come to meet you at a place of your choice. Should any travel cost be incurred for attending the interview, it will be reimbursed to you in the form of taxi vouchers or petrol costs.

What opportunity do I have to consider this invitation?

If you agree to participate in this research, please contact the researcher within two weeks of receiving this information sheet.

How do I agree to participate in this research?

If you agree to participate in this research, please complete the enclosed consent form and send back to the contact details of the researcher listed below.

Will I receive feedback on the results of this research?

The summary of the research will be available upon request.

What do I do if I have concerns about this research?

Any concerns regarding the nature of this project should be notified in the first instance to the Project Supervisor, Professor Marilyn Waring, marilyn.waring@aut.ac.nz, +64 9 921 9661.

Concerns regarding the conduct of the research should be notified to the Executive Secretary, AUTECH, Madeline Banda, madeline.banda@aut.ac.nz, +64 9 921 9999 ext 8044.

Whom do I contact for further information about this research?**Researcher Contact Details:**

Beibei Chiou, beichi86@aut.ac.nz, +61 405 157 559.

Project Supervisor Contact Details:

Professor Marilyn Waring, marilyn.waring@aut.ac.nz, +64 9 921 9661.

**Approved by the Auckland University of Technology Ethics Committee on 22nd October 2009
AUTECH Reference number 09/201**

Consent to Participation in Interview



Project title: International education, educational immigration and government policy: A comparative study of Australia and New Zealand

Project Supervisor: Professor Marilyn Waring

Researcher: Beibei Chiou

-
- ☐ I have read and understood the information provided about this research project in the Information Sheet dated 20/07/2009.
 - ☐ I have had an opportunity to ask questions and to have them answered.
 - ☐ I understand that notes will be taken during the interviews and that they will also be audio-taped and transcribed.
 - ☐ I understand that I may withdraw myself or any information that I have provided for this project at any time prior to completion of data collection, without being disadvantaged in any way.
 - ☐ If I withdraw, I understand that all relevant information including tapes and transcripts, or parts thereof, will be destroyed.
 - ☐ I agree to take part in this research.
 - ☐ I wish to receive a copy of the report from the research (please tick one): Yes ☐ No ☐

Participant's signature:

.....
Participant's name:

.....
Participant's contact details:

.....
.....
.....
.....

Date:

*Approved by the Auckland University of Technology Ethics Committee on 22nd October 2009
AUTEK Reference number 09/201*