

# Policy Briefing: Temporary Graduate Visa Subclass 485

Prepared by Dr. Nina Roxburgh - Research and Policy Officer, MGA

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## Background

International graduate coursework and research students are a significant and valued part of the Monash community. Undoubtedly, postgraduate international students at Monash have contributed to some of the most important research and innovation in recent Australian history, including a world-first hospital discharge of a patient with a durable total artificial heart, waterless lithium extraction technology, predictive traffic light control system reducing congestion, pioneering IVF, various mRNA, and other critical health and medical discoveries, to name just a few.

Many international students consider staying in Australia post-study to apply their education in the local labour market and build a life in our great country. According to our *2025 National Postgraduate Survey on Health, Family and Finances*, we found that 35% of international postgraduate students intend to remain in Australia after completing their studies, with a further 30% yet to decide where to take their skills.<sup>1</sup> These figures underscore the considerable stake that current students have in post-study work pathways.

On 1 March 2026, the Australian Government doubled the application fee for the Temporary Graduate visa (subclass 485) from \$2,300 to \$4,600 overnight. The 485 visa is the primary pathway for international graduates to remain in Australia and work after completing their degree, and is used by a significant number of Monash graduate students each year.

The transition from international student to graduate worker in Australia is not straightforward. A Grattan Institute report highlighted that international students on the 485 visa do not consistently secure well-paid employment in their field of study, and often find themselves compromising career plans in order to secure any work.<sup>2</sup> Barriers include employer reluctance to hire workers on temporary graduate visas due to uncertainty about future visa status, limited employer literacy regarding the working rights of 485 visa holders, departmental processing delays that slow transitions to employment, and in some cases, gaps in graduates' readiness for the local labour market (including English language proficiency and professional networks).

In addition, poor policy decisions during the COVID-19 pandemic and under previous governments resulted in a higher volume of 'non-genuine' international students flowing into the 485 visa pipeline.<sup>3</sup> While this problem is not restricted to universities alone, the nature of the dependence on international students for subsidising university functions has resulted in academic staff reporting pressure to pass international students whose performance is below standard.<sup>4</sup>

According to higher education policy expert Professor Andrew Norton, the Albanese Government made considerable effort to 'block or discourage' prospective international students.<sup>5</sup> He highlights

a specific period between October 2023 and July 2024, where measures such as more than doubling of the student visa application fee from AU\$710 to AU\$1,600 were pursued. The overnight doubling of the 485 visa fee appears to be a continuation of this approach of using blunt financial instruments to reduce international student numbers, rather than addressing the deeper structural issues of university financial sustainability, workforce investment and cost-of-living solutions.

While the current international student-to-graduate worker pipeline is imperfect, it is unclear how doubling the 485 visa fee addresses those imperfections. Rather, this change appears designed to deter students from planning to stay in Australia for work, and to financially screen out those with fewer resources, not those with fewer skills.

MGA recognises that reform is necessary. Issues around international student numbers, university financial sustainability, education quality, labour market alignment, cost-of-living pressures, and national interest all demand thoughtful policy responses. However, **MGA does not support using the 485 visa fee as a lever for these ends**, as it unjustly punishes current students, deters future talent, reduces Australia’s global competitiveness as an education destination, and feeds into narratives that use international students as scapegoats for broader economic pressures while distracting from substantive economic policy action we need.

## 1. Visa costs are already prohibitive

The figure of \$4,600 significantly understates the true financial burden of applying for a 485 visa. When the full range of compulsory costs is taken into account – including medical examinations, police clearances, English language testing and the Overseas Student Health Cover (OSHC) – a complete 485 application now regularly runs to \$6,000–\$7,000 or more.

### **Total estimated cost of a 485 visa application in 2026:**

- 485 application fee (primary applicant): \$4,600
- Partner application fee (if applicable): \$2,300
- Overseas Student Health Cover (OSHC): \$700–\$1,000
- Medical examination: \$300–\$450
- Police clearance (Australian Federal Police): \$42
- English language test (e.g. IELTS): \$370

**Total estimated cost (single applicant):** Approximately \$6,000–\$7,000+

**Total estimated cost (couple):** Approximately \$8,000–\$10,000+

MGA’s national survey found that many international students are already experiencing significant financial stress including rental pressure and difficulty meeting basic living costs. For example, international graduate research students experience higher rates of severe financial impact (39% reporting “big” or “extreme” effects versus 31% of domestic students). This pressure is encapsulated by the student testimonies our survey collected:

*"Beyond our PhDs, we have rental payments, mortgages, children to support, healthcare needs, vet bills, transportation costs and a need to eat. Every day I am forced to make a decision: "Do I take the train to campus today? Do I buy my medication? Do I take my dog to the vet? Or do I eat dinner?". At the worst moments of my PhD, I have been left with no choice but to eat cereal for dinner."*

*"It is getting very difficult for me to make ends meet because the cost of living is so high here. Accommodation and bills are taking up 92% of my stipend every month and I am unable to manage food, transport, groceries and any unexpected expense in the rest of the 8% income." <sup>6</sup>*

For international graduate coursework students, the picture is similarly grim. 89% of international graduate coursework students report experiencing rental stress (spending more than 30% of their total monthly income on rent), with 55% spending more than 50% of their income on rent. 33% of these students report that financial stress has a severe impact on their course completion, and 36% report that it severely impacts their concentration. The following graduate coursework student testimonies illustrate this lived reality:

*"It's an impossible situation right now. Though I keep a budget, the rising cost of living and low wages makes it impossible to afford to live."*

*"It's really hard to manage a job with studies, only casual jobs can be managed but they are too unreliable. Sometimes you get hours in that sometimes you don't and it takes a toll on your mental health as you're unsure from where the money for your upcoming expenses are coming from. And with the uncertainty of job, sometimes you have to leave classes if they happen to be on the same day." <sup>7</sup>*

International graduate coursework students face the most severe income constraints, with almost half (49%) earning less than \$10,000 annually – a pattern shaped by visa restrictions limiting work opportunities to 48 hours per fortnight during semester, distance from family financial support networks and the need to demonstrate substantial funds for visa purposes without necessarily having access to ongoing income streams whilst studying. This doubling of the 485 visa fee directly piles onto that existing financial precarity.

Further, announcing a 100% fee increase with only two weeks notice, timed to coincide with the expiry of visas for December graduates, is unreasonable. Even stakeholders who may support some level of fee increase should be able to agree that two weeks is an inadequate timeline for applicants to absorb an additional \$2,300 expense, particularly when many students have likely already applied for jobs, signed leases, and made plans based on the existing fee structure. The government should, at minimum, have honoured existing commitments to those students already in Australia who had planned around the previous fee level, and provided a reasonable transition period.

## 2. Equity is at stake

The financial burden of the 485 visa fee increase will not distribute equally. International students come from a diverse range of economic backgrounds and countries of origin, and for many, the new fee represents a serious barrier, not because they lack talent or Australia-relevant skills, because they may have less financial resources (perhaps their home countries have lower purchasing power) and they lack access to the financial safety nets available to others.

In other words, **this policy does not screen out graduates by skill, it screens them out by wealth.** The change in fee disproportionately locks out graduates from lower-income countries, particularly those from South and Southeast Asia, Sub-Saharan Africa and parts of the Middle East. However, these regions often provide many of the skilled migrants that Australia relies upon in critical sectors such as healthcare, aged care and engineering.

This has practical consequences for diversity and inclusion within the Australian workforce, and brings to the surface memories of our shameful White Australia Policy that saw specific policy efforts to limit who could migrate to Australia.<sup>8</sup> If Australia’s post-study work pathways are effectively restricted to those from wealthier nations or wealthy families, we will see a narrowing of the cultural, linguistic and professional diversity that international graduates bring to our society.

Furthermore, for students already living in Australia and facing the cost-of-living pressures all residents face – including rising rents, higher grocery costs, transport expenses – the additional financial shock of an overnight fee increase, with no transition support, risks pushing vulnerable individuals into financial crisis. Some may be compelled to take on high-interest loans or informal financial arrangements that expose them to exploitation and long-term harm.

### 3. Consequence for the skilled worker pipeline

Australia currently faces documented shortages in critical skilled occupations. The government’s own data indicates that 2 in 5 professional occupations are experiencing skill shortages, with particular pressure in health and education (fields that require postgraduate-level qualifications).<sup>9</sup>

The decision to double the 485 visa fee will not only affect the students currently in Australia, it will send a clear signal to prospective international students globally that Australia is an unwelcoming and expensive destination for post-study work. The downstream consequences are not to be overlooked:

**The downstream consequences:**

- Fewer 485 visa applications > fewer international graduates remaining in Australia.
- Reduced attractiveness of Australia as a study destination > lower international student enrolments.
- Lower international student fee revenue > financial stress for universities.
- Financial stress for universities > course cuts, staffing reductions, and pressure to increase domestic fee revenue.
- Reduced course availability and larger class sizes > lower education quality at a higher price.
- A diminished graduate pipeline > employers access a smaller and potentially less-prepared talent pool of future workers.

**All of this compounding existing skill shortages in critical sectors.**

The evidence on 485 visa outcomes is already concerning. The aforementioned Grattan Institute report found that only half of 485 visa holders secure full-time employment, typically in roles below their qualification level. Furthermore, fewer than one third of 485 visa holders transition to permanent residency, down from two thirds in 2024.<sup>10</sup> These figures suggest the pipeline is already shrinking and failing to result in positive graduate employment outcomes. A blunt fee increase will not fix any of these underlying issues; it will simply reduce the number of people in the pipeline altogether.

MGA urges the government to consider a more targeted approach rather than a blanket fee increase. Fee exemptions or concessions for graduates in designated skills-shortage occupations,

including in teaching, healthcare, engineering and agriculture, would simultaneously address workforce priorities and reduce the negative impacts of the concerns raised in this briefing. This is an uncontroversial approach, as it aligns with the government’s own stated workforce priorities and would represent coherent, evidence-based policymaking.

#### 4. Reputational damage and decreased competitiveness

Accessibility and affordability of post-study work pathways are critical factors in students’ decisions about where to pursue their education. Australia has long benefited from a reputation as a welcoming, high-quality destination for international study. The overnight doubling of the 485 visa fee puts Australia out of step with our global counterparts and risks undermining that reputation at precisely the moment when other countries are actively investing in attracting international talent.

A Universities Australia report highlights Canada’s AU\$1.9 billion initiative to attract researchers (including PhD students) and the United Kingdom’s AU\$100 million Global Talent Fund – both representing significant national commitments to building a competitive international education and research environment.<sup>11</sup> Australia, by contrast, appears to be heading in the opposite direction.

**Table 1. Post-student work visa comparison across Australia, UK, Canada, New Zealand, and United States**

Country	Visa/Permit	Duration	Fee (AUD equiv.)
<b>Australia</b>	Subclass 485 – Temporary Graduate Visa	Masters (coursework): 2 years Masters (research)/PhD: 3 years	<b>AUD \$4,600 (primary) ★ DOUBLED March 2026</b>
Canada	PGWP – Post-Graduation Work Permit	Masters coursework or research: 3 years	<b>CAD \$255 (AUD \$262 total) ★</b>
United Kingdom	Graduate Visa	Masters coursework or research: 2 years (reducing to 18 months 1st Jan 2027)  PhD: 3 years	£880 + £1,035/year healthcare surcharge (AUD \$1665 + AUD\$3918 for the 2 year visa)

Table 1. shows that Australia’s 485 visa fee is now substantially higher than comparable pathways in Canada (AUD \$295) and the United Kingdom (AUD \$5,000+ total, but inclusive of mandatory health surcharge for two years). Canada in particular offers equivalent or greater duration, full work rights, a clear pathway to permanent residency at a fraction of the cost (though additional fees may be required for medical exams, police certificates, and language tests). Ultimately, our losses due to the sudden doubling of the 485 visa fee will be their gain.

#### Learning From the UK’s Mistake

The United Kingdom provides a relevant cautionary tale. The previous Conservative government under then Prime Minister Rishi Sunak introduced a range of measures designed to deter international students and address concerns about graduates flowing into low-paid gig economy

work or so-called 'Deliveroo visas' – including higher visa fees, restrictions on dependants, and tighter post-study work conditions.<sup>12</sup> These actions resulted in a fall in international student commencements, in some sectors by as much as one third. Under pressure from universities, regional economies, and his own colleagues, Sunak was forced to walk back some of the most extreme proposals due to the damage being inflicted on the UK's education sector and broader economy.

Australia now risks repeating this mistake. By using financially punitive measures to thin the number of international students transitioning into the labour market, we risk not only the immediate harm to current graduates but a long-term decline in Australia's attractiveness as a study destination, which may take years to rebuild.

## Implications: Real students feel the impact of these rash policy moves

MGA consulted with a number of current international students in their final year of study to understand the immediate impact of this policy change. Their experiences illustrate the human cost behind policy decisions:

### Student Voices:

*"It is particularly disheartening for individuals who work in sectors that centre around helping people, as most of us come with the dedication to help the people living here. While blessed with the welcoming and inclusive nature of this place and its people as a whole, it is changes like these that can leave us feeling like we are somehow doing something wrong. With the rapid increases in visa application fees every year or so – our student visa fees were more than doubled in 2025 as well – as well as the many anti-immigration movements, it is difficult not to perceive elements of hostility in the broader policy environment."*

Monash Graduate Research Student

*"The doubling of the price for the 485 graduate visa was an extremely disappointing surprise for me. As a Masters of Social Work student, I often come in contact with Australia's social support policies and am usually impressed with the holistic approach to policy crafting and impact-scoping that they undergo. This policy, though, in its abrupt implementation, lack of consultation and classist implications, has none of the hallmarks of a policy rooted in that very Australian idea of 'A fair go'. This policy will price out many graduate students who can't afford to pay a doubled fee on short notice, including me, and makes my decision to leave Australia all the more easier, albeit disappointing. Unfortunately for me and many of my peers in social work, we don't have an extra \$2300 sitting around. With how quickly this was implemented, we've also been given no time to effectively budget for it."*

Monash Graduate Coursework Student

*"I reside here with my family of four. Given the recent increase in charges, the cost for me to apply for the TR visa would be approximately 13,000 AUD. As a PhD student, this presents a significant financial challenge, as it is often difficult to accumulate sufficient savings during the course of our studies."*

Monash Graduate Research Student

This policy is out of touch with the daily realities of students living in Australia during a period of intense cost of living pressure including housing, groceries, transport, and the additional costs of being an international student on a temporary visa. The 485 visa fee increase does not exist in isolation, but forms part of a broader series of financial shocks for a community that are already under significant strain.

## **MGA Calls on the Albanese Government to immediately reverse the decision to double the 485 Temporary Graduate visa fee, and reinstate the previous fee of \$2300.**

If the government will not reverse this decision, MGA urges the following actions:

<b>1</b>	Provide a formal transition period for students who have already initiated or planned their 485 applications under the previous fee structure.
<b>2</b>	Introduce targeted fee exemptions or concessions for graduates in designated skills-shortage occupations, including health, teaching, engineering and agriculture, aligned with the government’s own workforce priorities.
<b>3</b>	Commission a comprehensive review of the 485 visa including fee structures, processing times, employer education, and transition-to-work pathways developed in genuine consultation with international student communities, the higher education sector and employers.
<b>4</b>	Invest in the long-term financial sustainability of Australian universities through direct funding mechanisms, rather than relying on international student revenue as a structural substitute for adequate public investment.

MGA is not alone in these asks. Universities Australia has also urged the Albanese Government to ensure that “student visa settings, fees and processing arrangements remain internationally competitive and proportionate”<sup>13</sup> in order to protect Australia’s international education industry – our fourth-largest export, contributing over AU\$50 billion to the economy in financial year 2025 and supporting more than 250,000 jobs.<sup>14</sup> Further, international students contribute to our economic prosperity while they study. A recent report from the Reserve Bank of Australia highlights that “in aggregate international students spend more than they earn in Australia.”<sup>15</sup>

The sudden doubling of the 485 visa fee is bad for Australia’s future prosperity. A smarter approach would use targeted fee structures, recognise the exceptional contribution of skilled international graduates, and invest in the policy infrastructure needed to ensure that the international student-to-graduate worker pipeline functions well for students, universities, employers and Australian society.

### **About MGA:**

The Monash Graduate Association (MGA) is the representative body for all graduate research and coursework students enrolled at Monash University. We are an independent, not-for-profit association governed by graduate students, for graduate students. Our Executive Committee is comprised of elected representatives whose sole agenda is to advocate for the needs and issues that affect graduate students. MGA represents over 35,000 graduates across the Victorian campuses of Caulfield, Clayton, Parkville and Peninsula, as well as those studying online.

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