

Committee Secretary  
Joint Standing Committee on Foreign Affairs, Defence and Trade  
PO Box 6021  
Parliament House  
Canberra ACT 2600

12 December 2022

To the Committee Secretary, Joint Standing Committee on Foreign Affairs, Defence and Trade,

The Regional Universities Network (RUN) welcomes the opportunity to comment on the Terms of Reference for the Australian Government's Inquiry into Australia's tourism and international education sectors. RUN is a national collaborative group of seven regional Australian universities: Charles Sturt University, CQUniversity Australia, Federation University Australia, Southern Cross University, University of New England, University of Southern Queensland, and the University of the Sunshine Coast. RUN member universities may also make their own submissions to address in detail any specific issues they wish to explore.

This submission reflects the positions of RUN institutions, and in doing so, also aims to represent the views of those students and communities which RUN universities serve; the one-third of Australians who live outside of metropolitan centres in Regional, Rural and Remote (RRR) locations. Specifically, RUN has sought to provide general comment to the Terms of Reference (ii) in relation to international education.

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**Opportunities for international education to support strategic and foreign policy objectives.** International education already makes an extraordinary contribution to our nation and with the right government policy settings it has the potential to further grow the positive social, economic and international relations impact.

In 2019, the year before the pandemic, Australia welcomed approximately 346,000 new or returning onshore higher education international students to our shores<sup>1</sup> who were eager to learn from some of the best educators in the world, in one of the safest, most welcoming free nations on earth. When combined with onshore international students studying within all education sectors (including vocational education and training (VET), school, English Language Intensive Courses for Overseas Students (ELICOS) and non-award), these students contributed more than \$37 billion into the national economy, supported employment for almost 250,000 Australians<sup>2</sup>, and importantly, enriched our social and cultural prosperity. International students absorb Australian values, engage with our culture, learn from our systems of government, and then export this back to the world as professional global citizens. The leading role that international education plays in Australia's projection of soft power to the world is undeniable. This industry is one of Australia's few major exports that is renewable, sustainable, and almost completely Australian-owned with dividends returned largely to our sovereign educational assets, strengthening our national prosperity and competitiveness even further.

Regional Australia has benefited greatly from the social, cultural, and economic contributions made by our valued international students. Our regions are made more vibrant, inclusive, and

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<sup>1</sup> Australian Government Department of Education, Skills and Employment, Research Snapshot Onshore higher education international students as a proportion of all students by university 2019, September 2020, accessed at: [https://internationaleducation.gov.au/research/research-snapshots/Documents/RS\\_International%20students%20at%20universities.pdf](https://internationaleducation.gov.au/research/research-snapshots/Documents/RS_International%20students%20at%20universities.pdf) on 21 November 2022.

<sup>2</sup> Universities Australia, International Education, accessed at: <https://www.universitiesaustralia.edu.au/policy-submissions/international/> on 21 November 2022.

prosperous by the welcoming of students from all cultures. International students who choose to study in, and also subsequently settle within regional communities post-graduation, play an important role in suppressing regional Australia's education divide with metropolitan Australia and addressing key regional skill shortages.

The one-third of our national population that does not live in metropolitan Australia needlessly occupy a lower tier of educational opportunity and attainment with 49.4 per cent of people living in capital cities (aged 25-34 years) holding a bachelor's degree or above, compared to just 25.6 per cent in inner regional Australia, 29.4 per cent in outer regional, and 29.7 per cent in remote and very remote Australia<sup>3</sup>. A natural consequence of regional Australia's educational disparity is, unsurprisingly, a more acute prevalence of critical skills shortages across many key industries, as compared to metropolitan Australia. A simple example, as it relates to the health sector (and subsequently health outcomes); 2020 Health Workforce data reveals there were 531 full time equivalent (FTE) allied health clinicians per 100,000 people in our major cities, with just 469 FTE allied health clinicians per 100,000 people in inner regional locations and 414 FTE allied health clinicians per 100,000 people in outer regional locations<sup>4</sup>. This disparity in educational attainment and skills shortages manifests disproportionately across countless other industries that are key to regional Australia's continued prosperity.

International students who study outside of Australia's capital cities – particularly those who subsequently also graduate into regional workforces via a transition to permanent residency – offer a critical contribution to suppressing the growing education and skills divide between metropolitan and regional Australia. RUN believes there is a strong case for regional Australia hosting a greater share of the international student cohort, and for regional Australia welcoming a greater proportion of those international students who choose to remain in Australia post-graduation. Despite being home to over eight million Australians and featuring many world-class universities, regional Australia hosted just three per cent of onshore international students (from all education sectors) in 2018<sup>5</sup>. Of this disproportionate share of international students who were welcomed by regional Australia during their studies, only 16 per cent are likely to have remained in Australia following graduation via a transition to permanent residency<sup>6</sup>. Regional Australia and RUN would therefore value and benefit from any opportunity to welcome more international students, including those who eventually graduate from regional university campuses into regional workforces. To encourage this, RUN advocates for Commonwealth and state government support in promoting the unique socio-cultural benefits of studying in regional Australia to international markets, complimented by positive regional differentiation in visa policy settings. Specific differential options in visa policy incentivising the regional placement and settlement of international students are discussed subsequently in this submission.

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<sup>3</sup> Australian Bureau of Statistics, Education and Work, Table 34 Australia, May 2022, accessed at <https://www.abs.gov.au/statistics/people/education/education-and-work-australia/may-2022#data-download> on 14 November 2022

<sup>4</sup> Australian Institute of Health and Welfare, Health Workforce, July 2022, accessed at: <https://www.aihw.gov.au/reports/workforce/health-workforce> on 26 October 2022

<sup>5</sup> Australian Government Department of Education and Training, International students studying in regional areas, February 2019, accessed at: <https://internationaleducation.gov.au/research/Research-Snapshots/Documents/Location%20of%20International%20Students%20in%202018.pdf> on 2 November 2022

<sup>6</sup> Parliament of Australia, Overseas students in Australian Higher Education: a quick guide, April 2022, accessed at: [https://www.aph.gov.au/About\\_Parliament/Parliamentary\\_Departments/Parliamentary\\_Library/pubs/rp/rp2021/Quick\\_Guides/OverseasStudents](https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Library/pubs/rp/rp2021/Quick_Guides/OverseasStudents) on 22 November 2022

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## **Challenges associated with the loss of international student numbers as a result of the significant disruption caused by the COVID-19 pandemic and effective measures to attract and retain students to Australia**

RUN universities were impacted by the sudden disruption to international student arrivals caused by the COVID-19 pandemic which coincided with higher education policy reforms that delivered a cut in (domestic student) funding in real terms. The combination of these impacts disadvantaged all universities, but regional universities were disproportionately affected due to servicing thinner markets and small economies of scale than metropolitan universities serving high-density urban areas. As such, regional universities simply do not enjoy the same wealth of surpluses and resources that many metropolitan universities deployed to sustain themselves against the years of border closures, the pandemic, and unfavourable higher education policy settings. Ultimately, it may result in regional universities taking longer to emerge from this period of attrition and austerity than our metropolitan counterparts.

Similarly, and at an individual level, international students hosted by RUN universities were themselves impacted quite significantly by the disruptions brought by the pandemic. Many international students came to Australia seeking a culturally immersive, socially framed educational experience but instead found themselves studying online in isolation. Our international students were also acutely aware of their exclusion from any dedicated national support mechanisms, noting in particular the expectation that they simply return home should they not be able to support themselves here. This was not the case for Australia's competitors in the international student market. Canada and the UK, for example, benefitted significantly in market share by supporting their international students. Additionally, many pre-arrival international students were effectively locked out by Australia's border closures despite preceding years of investment, preparation and sacrifice.

Effective measures that may help attract and retain international students to Australia, as highlighted by preceding periods of policy shortcomings, may include clear and transparent pathways from study to skilled migration and potential permanent residency. International students often undertake tremendous sacrifice and significant investment in their commitment to study in Australia, and therefore must be afforded a greater level of security against sudden, non-grandfathered changes to skilled migration pathways that occur during their studies upon Government whim. This phenomenon has a corrosive effect on Australia's reputation as a secure, trustworthy education destination. Additional measures may also include greater transparency from DFAT around visa processing of international students.

For example, despite additional resourcing being applied by the Government to reduce the visa backlog, many RUN members have recently experienced a significant, sudden spike in rejections of traditionally routine student visa applications from certain countries, at a critical time of international cohort reactivation following border closures. Such abrupt, high rejection rates risk, without timely and transparent explanations, causes reputational damage for Australia as a viable international market and could potentially impact on individual institution's desire to recruit from these markets. These rejections also impact upon an institution's "Visa Assessment Level" creating significant institutional risk, especially where strict genuine temporary entrant (GTE) requirements have not changed. A strengthened relationship and greater transparency/dialogue between the Department of Home Affairs (DHA) and education providers will help to mitigate process inconsistencies while ensuring greater system integrity.

The experiences of international students during the pandemic, and the impact upon the sector itself, has led to an undeniable erosion of Australia's reputation as a world-class international educator. It is important to note that the multitude of negative impacts experienced by universities and by our international students during this period were not the result of market failure, rather the

unintended consequence of a series of decisions taken by governments across the world. It is therefore reasonable to conclude that it is possible to reverse the erosion of Australia's reputation as a safe, welcoming and supportive provider of world-class international education through learning from past failings and implementing sustainable, sensible, and evidence-based policy initiatives.

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### **Online innovations in education delivery and potential opportunities to strengthen the sector's resilience**

By the nature of our geography, dispersed campus footprints and unique student demographics, RUN universities were already highly active in the delivery of sophisticated remote/online higher education prior to the pandemic. When mandatory lockdowns and social distancing measures were introduced, the necessary pivot to highly supportive 100% online delivery was far less disruptive for RUN universities and their students, as compared to many conventional university models. Indeed, regional universities have been viewed as leaders in the supportive online delivery space for many years and were seen as providing sector best-practice during the pandemic period.

RUN universities are in a robust position to be able to extend our strengths in supportive online education beyond our domestic and onshore cohorts into new and emerging offshore opportunities. RUN advocates for our members having input into any formal policy development that seeks a coordinated, measured, national approach to Australia's offshore higher education opportunities. However, it is important that any concerted pursuit of these offshore market opportunities does not seek to diminish or replace the primary purpose and allure of Australia's world-class higher education system to our international markets; the provision of culturally immersive, socially-framed, in-country academic experiences.

Some students or student markets may seek 100% offshore qualification attainment, or even a hybrid of offshore and onshore delivery/experiences, and RUN is eager to explore and engage with these opportunities. Here, RUN sees a role for Government in facilitating a higher education system that is flexible enough to cater for multiple modes of study delivery across a more diversified base of international markets. It remains important to understand that not all international students would seek an online alternative should it be offered, and many providers would not wish to see this online alternative displace positive in-country educational experiences. As such, it is important to take a measured approach to developing policies in this area to mitigate unintended consequences, limiting student choice, and potentially reducing Australia's competitiveness. This is particularly true from the perspective of regional Australia, where it is from these positive in-country experiences that we would seek to grow the 16 per cent of international students who remain in-country (and ideally, within the regions) post-study via a transition to permanent residency<sup>7</sup>.

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### **Initiatives to ensure positive international student experience and support pathways to build their skills and contribute to Australia's prosperity**

RUN universities and regional communities value the incredible social, cultural and economic contributions that international students provide to our communities. Regional Australia is made more vibrant and diverse by welcoming international students, and those that settle regionally following graduation play an important role in narrowing the gap between regional education/skilling levels with metropolitan Australia. Regional Australia and its many world-class universities are eager to grow the number of international students who subsequently graduate and settle into regional workforces post-study.

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<sup>7</sup> Parliament of Australia, Overseas students in Australian Higher Education: a quick guide, April 2022, accessed at: [https://www.aph.gov.au/About\\_Parliament/Parliamentary\\_Departments/Parliamentary\\_Library/pubs/rp/rp2021/Quick\\_Guides/OverseasStudents](https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Library/pubs/rp/rp2021/Quick_Guides/OverseasStudents) on 22 November 2022

Previous Government policy recognised the acute need for skilled migrants and international students in regional Australia and set migration and international student visa incentives accordingly. While RUN welcome's the Government's intention to increase the 16 per cent of international students who remain in Australia post-graduation, it is imperative that the positive regional differential in international post-study work rights policy be maintained. RUN strongly believes the removal of this regional visa differential will have a corrosive effect on regional Australia's already limited and disproportionate share of the international student market, at a time when our communities can least afford it. RUN recommends maintaining the positive regional differential in international post-study work rights policy and indeed exploring more nuanced options than simply extra time for students who studied at a regional university.

RUN therefore suggested the following practical measures to incentivise a more balanced distribution of international students/graduates into regional locations:

- Additional points towards skilled visa applications if the student has studied in regional Australia. An extension of this scheme could provide extra points if the applicant proceeds to remain in regional Australia, further solving the skills crisis regional Australia faces;
- a simplified and dedicated pathway to residency for students who study in, and then subsequently work in regional Australia;
- a nuanced approach to post-study work rights where students in metropolitan areas need to study a course and subsequently work in a field that relates to the national skills shortage and areas of importance, compared to far less strenuous criteria for regional universities;
- maintaining the current one and two-year differential respectively between Category 2 and Category 3 regional locations, and metropolitan universities, noting that a collective increase across the sector proportionally disadvantages regional universities;
- Commonwealth support in promoting the unique socio-cultural benefits of studying in regional Australia to international markets; and,
- Commonwealth support to facilitate equitable regional work placement opportunities that sees international students have similar access to regional industries during their studies as that enjoyed by domestic students, boosting opportunities for employment pathways to permanent residency.

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## Conclusion

In conclusion, RUN recommends the following actions to rebuild a more sustainable international student sector, while incentivising international students studying at regional university campuses and subsequently settling into regional workforces post-graduation:

1. Commonwealth support in promoting the unique and mutual socio-cultural benefits of studying in regional Australia to international markets, complimented by positive regional differentiation in visa policy settings;
2. providing onshore international students with fully assured pathways from study to skilled migration and in turn, permanent residency, and grandfathering these changes where appropriate;
3. more timely and transparent updates and advice from Government around visa processing of international students as it affects rejection rates and provider visa assessment levels;
4. RUN to have input into any formal policy development that seeks a coordinated, measured, national approach to Australia's offshore higher education opportunities;

5. Commonwealth to facilitate an international higher education system that is flexible to cater for multiple modes of study delivery (onshore, offshore, hybrid) across a more diversified base of international markets;
6. Maintaining the regional differential in international student post-study work rights, including:
  - A nuanced approach to post-study work rights where students in metropolitan areas need to study a course and subsequently work in a field that relates to the national skills shortage and areas of importance, compared to far less strenuous criteria for regional universities;
  - additional points towards skilled visa applications if the student has studied in regional Australia. An extension of this scheme could provide extra points if the applicant proceeds to remain in regional Australia;
  - a simplified and dedicated pathway to residency for students who study in, and then subsequently work in regional Australia;
  - maintaining the current one and two-year differential respectively between Category 2 and Category 3 regional locations, and metropolitan universities, noting that a collective increase across the sector proportionally disadvantages regional universities; and,
  - Commonwealth support to facilitate equitable regional work placement opportunities that sees international students have similar access to regional industries during their studies as that enjoyed by domestic students.

Regional universities are critically important to addressing many of the challenges and opportunities as highlighted in the Terms of Reference for the Australian Government's Inquiry into Australia's tourism and international education sectors. RUN would welcome the opportunity to make further contributions to the inquiry process to ensure the perspectives of regional Australia are properly considered.

Please do not hesitate to contact the RUN Secretariat on 0408 482 736 or via e-mail at [execdir@run.edu.au](mailto:execdir@run.edu.au) to discuss any elements of the submission further.

Yours sincerely,



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