

Committee Secretary
Joint Standing Committee on Migration
PO Box 6021
Parliament House
Canberra ACT 2600

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To the Committee Secretary, Joint Standing Committee on Migration,

The Regional Universities Network (RUN) welcomes the opportunity to comment on the Terms of Reference for the Australian Government's *Migration, Pathway to Nation Building* inquiry. 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 in relation to the role international education plays as a skilled migration pathway for regional Australia. RUN has reinforced many of the following positions in other recent Commonwealth reviews and inquiries, including the *Inquiry into Australia's tourism and international education sectors* (December 2022), and *the Review of Australia's migration system* (December 2022).

The role of permanent migration in nation building, cultural diversity, and social cohesion.

Contemporary Australia is a nation built largely by the contributions of migrants. Waves of migration in various forms have shaped Australia's values, culture and prosperity. This submission will primarily focus upon the role international students who both study and subsequently settle in regional Australia have played historically, and have the potential to play in the future, for the enrichment of all of Australia's communities.

Regional Australia embraces the incredible social, cultural, and economic contributions made by the numbers of international students that we host (equating to just a three per cent share of Australia's total onshore international students, from all education sectors, in 2018¹). Australia's regions are made more vibrant, inclusive, and prosperous by the welcoming of students from all cultures. International students attending regional campuses absorb Australian values, engage with our culture and our communities, learn from our systems of Government, gain skills and qualifications that regional workforces rely upon – and if/when they settle permanently following graduation – are welcomed enthusiastically by our employers and communities alike. International students who choose to study in, and are able and willing to subsequently settle within regional communities post-graduation, play an important role in addressing key regional skill shortages, and in suppressing regional Australia's entrenched education divide with metropolitan Australia. Importantly, international students also play a vital role in the globalisation and cultural

¹ 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

diversification of Australia's university classrooms. In an increasingly globalised world, our continued national prosperity depends on a citizenship body who are informed and engaged members of the global community, and who value and celebrate cultural and linguistic differences². Here, the contextual global-cultural exposure and exchange that international students provide to our domestic cohorts is invaluable to Australia's place in the world. Australia enjoys a significant advantage over almost every OECD nation in terms of the globalisation of our universities as measured by the proportion of international students to our total tertiary student enrolments; Australia is ranked second in the world under this measure of international student mobility, with 26 per cent of our tertiary classrooms being populated by international students³. Within Australia the benefits of the socio-cultural contributions made by international students in university classrooms is not equally shared. Despite being home to one-third of Australia's total population including many world-class universities, the opportunities for regional Australia's tertiary students to benefit from a rich socio-cultural exchange with global peers is limited by the 3 per cent share of total in-country international students. This poses significant vulnerabilities in regional Australia's ability to effectively engage with global opportunities from a position of real-world experience.

RUN acknowledges the important role played by skilled migrants in the operation of Australia's regional universities. RUN universities benefit tremendously from skilled migrants who occupy significant portions of our highly specialised academic, research and professional staffing ranks. Our social impact in regional education, training and workforce development – and in innovative research outputs – is enriched by the skillsets, experiences and global perspectives of our migrant colleagues. Their contributions enrich regional Australia's universities and communities alike, but as with the case of international students, the benefits of skilled migrant contributions are maldistributed to favour metropolitan cities. Of Australia's total (pre-pandemic) overseas arrivals, less than 20 per cent settle in regional Australia annually⁴, despite our regions hosting one-third of the national population.

Unless addressed by differential immigration and migration policy, the maldistributions of international students and skilled migrants will only continue to accelerate metropolitan Australia's position of privilege over our regions. The one-third of our national population that does not live in metropolitan Australia 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 Australia⁵. 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 locations⁶. This disparity in educational attainment and skills shortages manifests disproportionately across countless other industries that

² Education Council, Alice Springs (Mparntwe) Education Declaration, December 2019, accessed at <https://www.education.gov.au/alice-springs-mparntwe-education-declaration/resources/alice-springs-mparntwe-education-declaration> on 20 February 2023.

³ Organisation for Economic Co-operation and Development, International Student Mobility, 2020, accessed at <https://data.oecd.org/students/international-student-mobility.htm> on 20 February 2022.

⁴ Regional Australia Institute, Rebalance the Nation, September 2022, accessed at <https://www.regionalaustralia.org.au/Web/Research-Policy/Regionalisation-Framework.aspx> on 17 October 2022

⁵ 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

⁶ 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

are key to regional Australia's continued prosperity. In its *Overcoming Australia's Labour and Skills Shortages* policy paper, the Australian Chamber of Commerce and Industry recognises that employers in the regions continue to report difficulty recruiting with regional employers filling a lower proportion of their vacancies and attracting a smaller number of applicants⁷.

Unfortunately, there are poor prospects that the regional phenomenon of lower education/training attainment alongside higher skills shortages will improve under a 'business as usual' approach. In fact, it may continue to worsen; the gap between metropolitan and non-metropolitan bachelor degree attainment rates, for instance, continued to widen consistently during the period 2013 – 2021⁸, further entrenching regional skills disparity. This represents a considerable burden to regional Australia as our economies and workforce profiles evolve. Analysis from the National Skills Commission anticipates that nine out of every 10 Australian jobs created over the next five years will require post-secondary education⁹. Compounding these skill challenges even further is regional Australia's lower share of working age population compared to that of our capital cities. This manifests as a dependency ratio of 60 dependents per 100 working-age persons in regional Australia, compared to 50 in the major capitals¹⁰.

Regional Australia plays host to many world-class universities, and we know that regionally based international education leading to permanent migrant settlement in the regions, can play a vital role in helping our communities achieve parity with our major cities in terms of education attainment, workforce development and economic opportunity. The policy framework that sets national migration objectives, however, must take account of the unique needs of non-metropolitan Australia, and provide effective policy differentials that incentivise long-term regional migration. Recommendations for differentiated policy settings are provided later in this submission.

RUN believes that Australia's capacity to maintain and adapt our ongoing prosperity within an increasingly unpredictable global environment can be strengthened considerably by unlocking the stored potential of regional Australia. Raising regional tertiary education participation/attainment rates, boosting regional innovation and research capabilities, and spreading the benefits of international education and skilled migration more equitably to regional Australia are obvious objectives insofar as unlocking this stored potential. This will require effective 'regional differentials' in policy across multiple fronts, not least of all being national migration policy settings that encourage and support more skilled migrants and international students to study, and subsequently settle, in regional communities.

Immigration as a strategic enabler of vibrant economies and socially sustainable communities in our cities and regional hubs.

In addition to the significance of their overwhelming social and cultural contributions, international students who study outside of Australia's capital cities –and subsequently graduate into regional workforces via a transition to permanent residency – offer a critical contribution to suppressing the aforementioned growing education and skills divide between metropolitan and regional Australia. Skilled migrants, too, play an important role in regional Australia overcoming this education and skills divide. The impact that RUN universities have in their regional communities are strengthened

⁷ Australian Chamber of Commerce and Industry, *Overcoming Australia's Labour and Skills Shortages*, March 2022, accessed at <https://www.australianchamber.com.au/wp-content/uploads/2022/03/ACCI-Overcoming-Australias-Labour-Shortages-24-March-2022-Final.pdf> on 17 October 2022

⁸ Parliament of Australia, *Regional and remote higher education: a quick guide*, April 2022, accessed at: https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Library/pubs/rp/rp2122/Quick_Guides/RegionalRemoteHigherEducation on 3 November 2022.

⁹ National Skills Commission, *Projecting Employment to 2026*, March 2022, accessed at: <https://www.nationalskillscommission.gov.au/insights/projecting-employment-2026> on 4 November 2022

¹⁰ Regional Australia Institute, *Rebalance the Nation*, September 2022, accessed at <https://www.regionalaustralia.org.au/Web/Research-Policy/Regionalisation-Framework.aspx> on 17 October 2022

by the skilled migrants who occupy our ranks of highly specialised academic, research and professional staff. RUN universities are often among the largest employers in their communities, as well as often being among the largest employers of skilled migrants. Their contributions to our region's universities provides regional Australia a greater chance at overcoming persistent geographic inequalities in education, training, research and workforce shortages.

While this persistent education/skills gap represents a current major challenge for regional Australia, it also presents enormous untapped national opportunity. The Regional Australia Institute estimates that if people in the regions had the same share of Bachelor level qualifications as in metropolitan areas, there would be over 461,000 *more* graduates living and working in regional Australia, collectively earning about \$26 billion each year based on the average salary for a graduate¹¹, which represents a boost in GDP worth an additional \$16.5 billion annually¹². Moving forward, regional universities must play an increasingly crucial role in unlocking this stored economic potential, given 70 per cent of the students who graduate from a regional university remain in RRR Australia after graduation¹³. The social and economic impact of even a modest increase in the number of international students studying and subsequently settling in regional Australia should not be underestimated. It is therefore incumbent for all regional universities to remain accessible, high-quality options for teaching and research, but importantly also as quality providers of international education.

RUN believes there is a strong case for regional Australia hosting a greater share of the international student cohort in particular, 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 2018¹⁴. 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 residency¹⁵.

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.

Attraction and retention strategies for working migrants to Australia.

RUN's experience supports the prevailing evidence that shows graduates who are trained regionally, tend to be retained regionally. This principal undoubtedly extends to those international

¹¹ Regional Australia Institute, Rebalance the Nation, September 2022, accessed at

<https://www.regionalaustralia.org.au/Web/Research-Policy/Regionalisation-Framework.aspx> on 17 October 2022

¹² Deloitte Access Economics, The importance of universities to Australia's prosperity, 2020, accessed at:

<https://www.universitiesaustralia.edu.au/wp-content/uploads/2022/04/Report-The-importance-of-universities-to-Australias-prosperity.pdf> on 26 October 2022

¹³ Hillman, K. and Rothman, S. (2007). "Movement of non-metropolitan youth towards the cities", *Longitudinal Study of Australian Youth Research Reports*. Australian Council for Educational Research, Melbourne.

¹⁴ 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

¹⁵ 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 on 22 November 2022

students who are welcomed by regional campuses, embraced by regional communities, and eventually, recruited by regional industries. Here, RUN reinforces the need to (and benefit of) encouraging a greater number of international students studying and subsequently settling within regional communities as an effective retention mechanism. While regional universities can provide positive and inclusive experiences for international students during their studies, there must also be a role to play for Government and community services that provide culturally appropriate support mechanisms for international graduates/migrants in regional communities. There remains a concern that a lack of such services in regional Australia may often lead to regionally based migrants seeking support from their own cultural communities in larger cities instead, which has an erosive effect on regional retention of migrants.

RUN provides a number of differentiated policy recommendations that aim to enhance the regional attraction/retention of international students and graduates – such as differentiated post study work rights – in the subsequent section of this submission.

Policy settings to strengthen skilled migrant pathways to permanent residency.

Previous Government policy recognised the need for greater numbers of skilled migrants and international students into regional Australia, and set differential regional migration incentives accordingly. While RUN welcomes the Government's desire to increase the 16 per cent of international students who remain in Australia to work post-graduation, it is imperative that the positive regional differential in international post-study work rights policy is maintained. Without incentives that are attractive to international students, we will undoubtedly see a reduction of international students choosing to study in regional Australia, and subsequently settle as permanent residents.

RUN strongly believes the removal of a regional visa differential will have an erosive 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 therefore recommends maintaining the positive regional differential in international student post-study work rights policy at a minimum, and preferably exploring more attractive options than simply offering extra time for students who study at a regional university. To this end, RUN recommends the Government consider the following practical measures to rebuild a sustainable international student sector while incentivising a more balanced distribution of international students/graduates in regional locations:

1. Commonwealth 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;
2. providing onshore international students with clear, assured pathways from study-to-skilled migration, and as migration policy evolves, grandfathering these assurances as to not disadvantage international students who have already commenced affected study-to-migration pathways;
3. more timely and transparent updates and advice from the Department of Home Affairs around visa processing of international students as it affects rejection rates and provider visa evidence 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. 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;

6. 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;
7. a simplified and dedicated pathway to residency for students who study in, and then subsequently work in regional Australia;
8. 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;
9. 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; and,
10. More employer education, potentially via Jobs and Skills Australia, around taking on international students both during and after graduation i.e. demystifying and reassuring them about visa options and support available.

Strengthening labour market participation and the economic and social contribution of migrants, including family and humanitarian migrants and the partners of working migrants.

RUN would support a more comprehensive national recognition of comparable global skills and qualifications as to better accommodate the inclusion and contributions of the partners of working migrants within our communities and workforces. RUN would support the examination of the role higher education and training providers might play in the upskilling (or skills assessment) of the partners of working migrants as to maximise the social and economic benefit of their arrival. Regional Australia in particular would benefit from the opportunity to value-add upon the modest proportion of national migrant settlements it currently enjoys.

The role of settlement services and vocational training in utilising migrant experiences, knowledge, and opportunities.

RUN welcome's the Committee's focus on how vocational training might better utilise the experiences and knowledge of migrants to create new opportunities for individuals and the workforces/communities they engage with. However, RUN would support a broadening of the Committee's focus to include the role that higher education might also play in this process.

Conclusion

Regional universities are critically important to addressing many of the challenges and opportunities as highlighted in the Terms of Reference for the Commonwealth Government's *Migration, Pathway to Nation Building* inquiry. RUN would welcome the opportunity to make further contributions to the review 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 to discuss any elements of the submission further.

Kind regards,



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