

# REVIEW OF REGIONAL MIGRATION SETTINGS: DISCUSSION PAPER

26 JULY 2024





## ABOUT THE REGIONAL UNIVERSITIES NETWORK

The Regional Universities Network (RUN) welcomes the opportunity to comment on the "Review of Regional Migration Settings Discussion Paper".

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 University of the Sunshine Coast.

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 locations. In responding to this Discussion Paper, RUN have responded to the questions which most closely align to our areas of expertise. Hence, we have not responded to questions three and four.

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# CONTEXT

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Regional Australia and regional communities benefit greatly from the social, cultural, and economic contributions made migrants, including international students. Australia's regions are made more vibrant, inclusive, and prosperous by the welcoming of students and migrants from all cultures. International students/graduates and migrants who settle in regional communities play an important role in addressing key skill shortages, boosting global perspectives within regional classrooms and workforces, and in suppressing the growing skills divide with metropolitan Australia.

Changing patterns of economic activity since COVID-19 have resulted in regional areas having far higher and more persistent levels of skills shortages than cities<sup>1</sup>. Indeed, the discussion paper acknowledges that job advertisements in regional Australia have grown at three times the rate of metropolitan Australia over the past five years. Further compounding this skills shortfall, regional Australia also hosts a lower share of working age population compared to that of our capital cities resulting in a dependency ratio of 60 dependents per 100 working-age persons in regional Australia, compared to 50 in the major capitals<sup>2</sup>. Australia's regions are also sites of considerable disadvantage in tertiary education attainment rates, with this geographic phenomenon consuming much of the equity focus within the Commonwealth's recent Australian Universities Accord Final Report. Regional Australians understand the role that international students/graduates and migrants play in not only alleviating widespread skills shortages, but in contributing to civic vibrancy and diversity. As such, Australia's regions overwhelmingly welcome those who are prepared to make non-metropolitan Australia their home.

While RUN will not comment on the current changes impacting international student visa settings, we will note that these changes will have a significant impact on regional Australia. RUN argues that international students forms part of any broader discussion around Australia's regional migration settings, as international students provide a vital aspect of

Australia skilled regional labour force.

RUN universities play an important role in regional Australia's migration profile through our welcoming of international students and our recruitment of highly skilled migrant academics, researchers, and professional staff. RUN universities are often the largest employers and educators in their respective communities, and as such our regional communities are made far more diverse, vibrant, and resilient by the contributions of our international students/graduates and professional migrant colleagues.

RUN believes there is a strong case for regional Australia hosting a greater share of Australia's international student and migrant cohorts, and for regional Australia welcoming a greater proportion of those international students who choose to remain in Australia post-graduation. Despite the regions being home to almost four in every ten Australians, and featuring many world-class universities, just three and a half per cent of onshore international students (year-to-date October 2023) attended a regional campus<sup>3</sup>. A further maldistribution occurs at an institutional level, whereby over 50 per cent of all international students in Australia in 2022 were attending one of eight large metropolitan universities. Twenty per cent of Australia's international university students are spread across 20 institutions, despite those 20 universities representing over half of Australia's total university count.

Of the 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>4</sup>. In terms of broader regional migrant settlement, less than 20 per cent of Australia's (pre-pandemic) overseas arrivals settle in regional Australia annually<sup>5</sup>, despite the regions now hosting almost 40 per cent of the nation's total population.

The disproportionately distorted pipeline of domestically educated and qualified international graduates progressing into

# CONTEXT

regional workforces puts regional economies at significant disadvantage. International students play a vital role in the globalisation and cultural diversification of regional Australia's university classrooms, yet their disproportionately limited presence adds another layer of disadvantage upon regional student cohorts who already exhibit the highest concentrations of inequity and underrepresentation in the sector<sup>6</sup>. Similarly, international graduates play a vital role in the globalisation and cultural diversification of regional Australia's skilled workforces. The importance of global perspectives within regional workforces is underscored by the fact that two-thirds of Australia's export earnings are derived from regional industries<sup>7</sup>, and eight of Australia's top 10 exports are commodities or produce from our regions<sup>8</sup>. In an increasingly globalised world, Australia's continued national prosperity depends on a citizenship who are informed and engaged members of the global community, and who value and celebrate cultural and linguistic differences<sup>9</sup>. The geographic maldistribution of benefits from international student placement (and subsequent settlement) poses significant vulnerabilities in regional Australia's ability to effectively engage with global opportunities from a position of real-world experience. Nonetheless, the many world-class universities hosted by regional Australia are eager to further grow their share of international students – and subsequently graduates – who choose non-metropolitan locations as their destination of choice.

Previous Government policy recognised the acute need for skilled migrants and international students in regional Australia and set differential regional migration incentives accordingly. While this may have produced mixed outcomes in terms of realising policy objectives, it is imperative that Australia seek a better understanding of how regional differential policy can be best designed – and remain in place – to incentivise a more equitable flow of international students to the regions (alongside incentives for graduates to remain in the regions post-study). Without incentives that are attractive to international students, we will undoubtedly see no further

growth – if not an overall reduction – of international students choosing to study (and subsequently settle) in regional Australia, further compromising the regional Australia's attempts to 'catch-up' to metropolitan Australia.

RUN has been advocating for a number of targeted measures designed to incentivise regional Australia as a place for international students to study, graduate, and eventually settle. These measures are provided below and should be viewed in the context of relevance to RUN's response to this discussion paper.

Read RUN's full submission to the [Review of the Points Tests](#).

Read RUN's full submission to the [Education Services for Overseas Student Amendment \(Quality and Integrity\) Bill](#).

Read RUN's full submission to the [Draft International Education and Skills Strategic Framework](#).

## FAST FACTS: INTERNATIONAL STUDENTS AND RUN

RUN universities enrol just four per cent of all international students studying at Australian universities (including those studying on RUN CBD campuses).<sup>10</sup>

International students comprise just 14 per cent of all RUN enrolments, compared to a national average (excluding RUN) of 28 per cent of total enrolments.<sup>11</sup>

RUN universities derive just 12 per cent of their revenue from international cohorts, while the national average (excluding RUN) is 25 per cent.<sup>12</sup>

Between 2019 to 2022, RUN universities saw a 61 per cent reduction in international student revenue linked to the pandemic, compared to the sector average of just a 16 per cent reduction during the same period.<sup>13</sup>

# QUESTION 1

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*How can the various temporary and permanent visas available to the regions work together to better meet skills needs? For example, Designated Area Migration Agreements (DAMAs) and regional employer sponsored visas.*

Meeting the skills needs of Australia, let alone the disparate needs of Australia's regions is no easy task. However, there is a clear need for regionally focussed visas to ensure there is an adequate supply of skilled workers not just for today, but also for the future. In the context of meeting skills needs of Australia's regions there is a key role for international higher education. The provision of higher education in regional Australia is vital in meeting the skills needs. RUN knows that 70 per cent of regional graduates remain in the regions post graduation, as well as the fact that regional universities lead the country in employer satisfaction of graduates and graduate employability and starting salaries. Regional university graduates are highly skilled and transition into highly skilled roles in Australia's labour market. It is here, that international education plays an equally important role.

Post-study work rights for international students have long been an effective mechanism in transitioning skilled graduates into workforces – and subsequently, into citizenship – for those who have earned Australian qualifications in areas linked to the greatest skills need. For many years this pipeline has been working to great effect, albeit with the greatest benefit flowing to those metropolitan workforces/communities who host the highest concentrations of Australia's onshore international student cohorts. Without robust and regionally-differentiated study and post-study work right visa/ migration settings that are more attractive to international students, regional communities will undoubtedly see limited further growth in international students choosing to study, and subsequently settle outside of Australia's largest cities. This represents a lost opportunity to regional Australians in realising a more even and equitable redistribution of the immense social and economic dividends stored within Australia's onshore international student cohorts, in key areas of skills shortage. RUN

argues that international education is a national interest whose immense benefits ought to be more equitably distributed, rather than continue to become increasingly concentrated to a limited number of providers serving only a few of the many diverse social missions that exist within Australia's university sector.

A key component to ensuring that regional skill needs are met will be to ensure there are adequate, transparent, and clearly grandfathered pathways to permanency for those willing to invest their time, their money, their passions, and their skills to Australia's regions. Beyond the pathway from studying at one of Australia's world-class regional universities, to regional Australia's workforce, those who study at Australia's universities are more likely to have an increased appreciation of, and understanding of Australia's labour market, cultural nuances and a greater command of operational English.

In addition to ensuring better alignment for those studying in regional Australia, it would be important to see greater cooperation between Government, accreditation bodies and tertiary providers to enable a more sophisticated overseas skills recognition of current onshore migrants and prospective offshore migrants in priority skills areas. Recognition of overseas qualifications is vital to ensuring regional Australia is able to benefit from highly skilled migrants through other migration pathways. With respect to DAMA's, consideration could be given to all employers to nominate for a longer duration than the current validation period, and allow workers to remain for additional time. There could also be scope to allow for greater transition between visas.

## QUESTION 2

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*Should there be a regional occupation list? How should regional occupation lists work alongside the Core Skills Occupation List? What should be considered in compiling the regional occupation list?*

RUN acknowledges the differences that exist in skills shortages (by type and/or severity) between regional and metropolitan Australia, and importantly also, the differences that exists between disparate regional zones within Australia. This requires the Government to undertake a highly nuanced approach to the management and assessment of skills need. However, RUN also notes the findings of the Migration Review that found occupation lists to be slow to change, overly prescriptive and that multiple occupation lists added to the complexity of the system.

As such, RUN argues for three principled considerations when determining the implementation or otherwise of a regional occupation list:

- There is a need for nuanced, positive regional differentiation being applied to migration policy settings.
- A nation-level approach to skills shortages will tend to 'wash out' regional context and will inevitably come to resemble metropolitan circumstance.

- Great variability exists in skill shortage profiles between the many diverse regions of Australia.

The value or otherwise of a dedicated regional occupation list does not detract from an overall need to ensure there are strong and tangible incentives in place to attract migrants to non-urban centres. This would involve, for instance, fast-tracked visa applications for regional occupations, but would also require greater settlement support for migrants (via government programs and community-based resources).

Skills assessment for migrants also needs to be linked in a more sophisticated way through assessing and accrediting bodies with clear gap training options or more streamlined skills conversion to enable highly skilled migrants with overseas qualifications to work in Australia. This may require new vocational or higher education uplift/ conversion programs to be implemented.

## QUESTION 3

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*Could the definitions of regional be aligned across the various regional visas? How can definitions be structured to better account for the unique circumstances of regions?*

RUN notes the discussion paper's assertion that having several 'regional' definitional layers may add complexity to the migrations system. RUN would nonetheless argue for a more nuanced approach to the definitions of 'regionality', including a way that more adequately acknowledges and supports the differences (in skills need, for instance) that exists in those peri-urban/outer metropolitan communities where current definitions may not be fit-for-purpose.

Consideration should be given to how a more nuanced approach to 'non-metropolitan' definitions can be more consistently aligned across the migration system. Consideration should also be given to how regional definitions interact with the varied skills needs of each geographic region so that skills needs are recognised and not washed out by aggregated definitions of regionality.

# QUESTION 6

*Noting the limitations of visa settings, what factors encourage more migrants to choose to settle in the regions and improve retention?*

RUN argues that the longer people successfully stay in the regions, the more likely they will remain in the regions – and that this is true for migrants and Australian-born citizens alike. For a migrant considering long-term settlement, a successful regional experience might include factors such as:

- a diversified and active labour market where relevant skills can be matched with meaningful employment,
- affordable housing and viable pathways to home-ownership,
- a sense of community and community safety, and
- a robust suite of essential ‘anchor’ services and institutions including quality hospitals, schools, airports, public transport, sports and recreation options, and public universities capable of providing a comparable level of academic opportunities and facilities as those found in metropolitan locations.

Within an international student context, there is one primary factor and that is a pathway to permanent residence.

Cultural and community support is an important factor, and may partially explain why many migrants are drawn to their diasporas in large urban settings. The resourcing of supportive migrant resources and dedicated migrant services available in regional communities where diasporic communities may be more limited should be considered.

There is also a strong role that can be played by effective, targeted campaigns that promote regional Australia as a diverse, contemporary, welcoming and highly liveable/desirable location for international students and prospective migrants alike.

## CONSIDERATIONS FOR REGIONAL RECRUITMENT OF INTERNATIONAL STUDENTS

Many international students elect to study at a regional campus for a variety of reasons, including, the reputation of regional universities, regional communities and universities providing a more welcoming community atmosphere, smaller class sizes and friendly colleagues, higher scores of teaching quality and graduate outcomes, greater access to natural environments, specialised offerings and employment opportunities, higher levels of study support, and unique study-life experiences.

However, for most international students, regional study often comes with additional, and at times prohibitive, challenges. These challenges include the (generally) greater distances between regional campuses and places of employment, housing and social amenities, alongside the limitations of regional public transport and a greater reliance on private vehicle ownership. For many international students the additional flights to a regional centre, after having already arrived in Australia, are an additional cost consideration. Many international students also rely on their diaspora communities – more likely to be found in large metropolitan locations – for support, housing, and employment opportunities (including access to night-time economies for income support), of which there are fewer opportunities than in metropolitan Australia.

## QUESTION 7

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*Do provisional visas successfully encourage large scale retention of migrants in the regions? Is the length of a provisional visa the right length? Should both the regional employer sponsored visa and the regional nominated visa have the same provisional visa arrangements?*

RUN notes the concerns flagged by the discussion paper regarding the attrition rate of provisional (regional) visa holders from regional areas, after three years. While RUN would always support nuanced measures that seek to suppress regional migrant attrition, RUN would also consider a 75 per cent retention rate (cited within the discussion paper) as a relatively successful outcome for the regions. This result is broadly in line with regional Australia's retention of its own regionally-trained university (domestic) graduate workforces<sup>14</sup>, which is considered a successful outcome by most regional communities.

As the discussion paper states, the individual choice to move or stay in the regions (following provisional obligations) is fluid and multifaceted, and people will actively seek a location that best meets their individual circumstances. While nuanced regional migration incentives play an important role in the attraction/retention of human capital, caution must be applied to the application of policy responses that could have a dissuasive effect on regional engagement and migration. Indeed, existing provisional visa arrangements may already have a restrictive effect on some holder's ability to find a job that meaningfully

engages their individual skill set, and/or creates difficulty in mobility or accessing financial services. RUN recommends that more work is undertaken to better understand the provisional visa arrangements and the impact they may be having on migrants, especially in relation to impediments in accessing affordable housing, well-paying and skill aligned employment, and other factors associated with the provisional nature of their visas.

Ultimately, a strategic and nuanced utilisation of regional provisional visa settings may be effective in acting as a 'push factor' in bringing migrants to regional settings. However, RUN believes this needs to be complimented by effective regional 'pull factors' (such as those outlined in response to Question 6 above) in order to retain migrants/international student graduates upon the conclusion of their provisional obligations.

RUN believes that both the regional employer sponsored visa and the regional nominated visa should have the same provisional visa arrangements to ensure there are no disincentives in place for those migrants wanting to pursue regional employer and regional nominated visas.



## QUESTION 8

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*How can we improve planning for regional migration, especially given the return of migrants to regional Australia post-pandemic? Should there be more flexibility provided to states and territories in planning for regional migration?*

RUN recognises that States/Territories are the primary investors in the regions and in regional development, while also holding strong influence over many of the complimentary 'pull factors' (service delivery, infrastructure) that incentive regional settlement. States and Territories arguably hold a closer relationship with the nuanced role played by migration as it aligns to respective regional development goals. As such, RUN is supportive of the Australian Government's Migration Strategy commitment to increase State and Territory collaboration in long term migration planning, and the Commonwealth's introduction of the multi-year planning model for the permanent Migration Program. RUN is also supportive of tailored State Migration Plans, developed in consultation with State/Territory Governments, as a feature of the new multi-year planning model for the permanent Migration Program. RUN hopes that this may eventually realise a greater level of nuance in aligning migration to the specific regional development goals within each jurisdiction (including planning for population, housing, transport, service delivery etc...).

RUN is also open to the Commonwealth exploring the option to develop dedicated

regional migration strategies, in close consultation with key stakeholders of Australia's regions. In seeking greater regional nuance, specific to the diverse and unique needs of each region, RUN would also support the involvement of Local Government Areas – alongside States and Territories – in determining regional skills requirements. Importantly too, regional schools and post-secondary education/training providers play the lead role in skills delivery in their respective catchments, and therefore their involvement/consultation in the development of State (and any future regional) Migration Plans will be essential.

Planning for regional migration settings must ensure adequate transparency and fairness provisions for those already engaged in the system under current arrangements. Changes to regional migration settings must be applied in a transparent manner, with a generous implementation period, while ensuring grandfathering arrangements are in place to protect those who have already invested time and money (alongside major life decisions) upon the basis of the current arrangements.



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