

# 2025-26 PRE-BUDGET SUBMISSION

## REGIONAL UNIVERSITIES NETWORK

January 2025



# OVERVIEW

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The Regional Universities Network (RUN) welcomes the opportunity to contribute to the formation of the Commonwealth Government's 2025/26 Budget.

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 9.8 million Australians who live outside of metropolitan centres in Regional, Rural and Remote locations.

RUN believes that all Australians, regardless of background or geography, should have access to an equitable standard of university experiences, opportunities, facilities and research progression opportunities.

Our regions have experienced high growth in recent years, with nearly four in ten Australians now living outside our largest capital cities in regional, rural or remote Australia. Despite the increasing demand amongst regional communities for highly skilled and educated workforces, regional Australians remain far less likely to obtain a university qualification, or drive national research and innovation priorities, compared to metropolitan Australians.

The Australian Universities Accord found that the higher cost of regional education delivery, and the diseconomies of scale inherent in providing university services to regional Australians, were major compounding factors in the widening skills divide between metropolitan and regional economies. The Accord made a series of welcome recommendations that sought to address the various geographic imbalances of our current higher education system – including the concept of Needs Based Funding – which RUN continues to support. Importantly, the most recent 2024/25 Mid-Year Economic and Fiscal Outlook took decisive steps towards honouring several key recommendations from the Australian Universities Accord that will inevitably enhance university opportunities and services to regional Australians.

Our regions host many high-performing, world class universities. This submission outlines a series of practical, complimentary measures designed to strengthen the university services that regional Australians rely upon, while delivering nation-building dividends to all Australians.

RUN's university members are:

- Charles Sturt University
- CQUniversity Australia
- Federation University Australia
- Southern Cross University
- University of New England
- University of Southern Queensland
- University of the Sunshine Coast.

# PRIORITY 1 - INVESTING IN REGIONAL AUSTRALIA'S EDUCATION ASSETS

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The Australian Universities Accord found that the distinct social missions of regional universities – typically characterised by their geographically dispersed campus networks servicing high rates of traditionally underrepresented student cohorts in lower-density student markets – leaves regional providers with considerably less capacity to build or improve their physical infrastructure. Specifically, the review found that the infrastructure needs of regional universities must be addressed, citing:

*"Without adequate investment in new, maintained and replacement infrastructure, there will likely be an exacerbation of the existing financial pressures felt by regional universities as well as further erosion of student load in regional areas. To support overall system growth and greater participation of regional and remote students, the specific infrastructure needs of regional universities have to be addressed.... The Review has also heard of critical infrastructure needs that warrant consideration of direct and more urgent funding, including significant maintenance backlogs affecting regional universities and their ability to deliver and attract students, staff and research funding."*

No dedicated infrastructure funding pool has been available for over a decade, resulting in an accumulation of urgent, unmet infrastructure priorities for regional universities. RUN proposes the establishment of a dedicated Regional Education Infrastructure Fund (REIF), a resource designed to meet the immediate backlog of infrastructure needs faced by regional higher education providers, and enabling them to maintain an equitable standard of access to key tertiary infrastructure as that enjoyed by metropolitan Australians into the future. The REIF is also intended to accommodate and support the forecast growth in students, particularly those from underrepresented backgrounds. Regional universities continue to undertake the nation's heavy lifting in terms of meeting the 2050 equity attainment targets of the Australian Universities Accord.



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<sup>1</sup> Department of Education. (2024). Australian Universities Accord Final Report (page 268). Accessed via <https://www.education.gov.au/australian-universities-accord/resources/final-report> on 20 January 2025.

# PRIORITY 1 - INVESTING IN REGIONAL AUSTRALIA'S EDUCATION ASSETS

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The proposed REIF would be structured to meet three aspects of infrastructure recognised as being in greatest need by regional universities today:

## 1. Education Infrastructure

Including clinical teaching laboratories, workshops, disability access upgrades, library and learning spaces, maintenance and refurbishment of existing facilities, and community-building assets such as sporting and recreational amenities, domestic and international student accommodation etc.

## 2. Digital Infrastructure

Including enhanced support capabilities for online students, heightened cyber security provisions, updated systems and learning platforms, new hardware/software, digital disability and accessibility provisions, computer labs etc.

## 3. Research infrastructure

Including the research infrastructure and facilities required to maintain and expand the research capabilities and research-trained workforces required by regional Australian industries, economies and communities. This would help to diversify the concentration of Australia's sovereign research capabilities being increasingly confined to a small handful of metropolitan universities.

The eligibility of the REIF would be limited to regionally-headquartered Australian Universities.

### **RUN RECOMMENDS**

*A commitment to undertake an independent, post-budget review into the infrastructure needs of regional universities, to inform the size, scope and duration of a competitive REIF process.*



## PRIORITY 2 - GLOBALISING REGIONAL CAMPUSES

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In an increasingly globalised world, Australia's continued prosperity depends on a citizenship who are informed and engaged members of the global community. Our regions connect Australia to the world by driving two-thirds of all national export wealth. Despite this, regional Australian university campuses lack the same degree of global experiences, opportunities and perspective as that typically enjoyed by Metropolitan university campuses.

**Regional Australia's university campuses host just a small fraction of all international students studying in Australia each year, while nine out of every ten Australian students studying abroad on a New Colombo Plan (NCP) scholarship in 2024 was studying at a metropolitan university.** This disparity poses significant vulnerabilities in regional Australia's ability to effectively engage with global opportunities from a position of real-world experience.

Regional Australia has the capacity to grow the modest base of international students that it hosts – without compromising regional rental vacancy rates – via the utilisation of on-campus student accommodation. Regional Australian students also have an appetite for greater offshore student exchanges, when provided the appropriate supports.

RUN proposes a Regional International Mobility Scheme: a four-year pilot program designed to support three important objectives linked to the global connectivity of regional university campuses via higher education exchange:

**1. Supporting international students to study at the regional campuses of regional universities.**

Regional universities experience additional barriers to the successful recruitment and settlement of international students to regional communities, and similarly, international students experience unique challenges while attempting to live, study and work outside of Australia's largest cities. International students often rely upon, for instance, robust nighttime economies, public transport linkages, international airport linkages, and diaspora migrant communities – found more readily in major capital cities - to support their successful study journeys.

Since the discontinuation of the Destination Australia program, there has been no funded mechanism to assist regional universities in their efforts to support international students towards regional study. This component of the Regional International Mobility Scheme addresses the specific difficulties faced by the recruitment of international students to regional communities, and the challenges faced by international students living, working and studying outside of our largest capital cities. It is envisaged that the four-year pilot would make scholarships available to support the attraction, settlement and success of international students at regional university campuses, with an eligibility focus upon areas of study representing the highest regional workforce need.

## PRIORITY 2 - GLOBALISING REGIONAL CAMPUSES

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### 2. Promoting regional Australia as a world-class destination for higher education and research.

This component of the Regional International Mobility Scheme aims to promote the world class study and research opportunities at our regional universities, while diversifying Australia's international student cohorts away from our largest capital cities. The development of promotional campaign collateral, designed to showcase the benefits of studying at regional locations to prospective international students, is supported by recommendation 22(b) from the Australian Universities Accord Final Report;

*“...support the growth of international education in regional and remote areas, encouraging providers to communicate the benefits of studying and living in regional and remote Australia.”<sup>2</sup>*

The promotional campaign would target prospective students within our Asia-Pacific region, particularly aligned to areas of study identified as being amongst the highest workforce need within the economies of regional Australian communities. The development of high-quality digital collateral promoting the benefits of studying and living in regional Australia would include adverts, case studies, student testimonials, and other digital campaign material. This would be made available to regional providers, their offshore partners, and university stakeholders to assist with the recruitment of international students to regional areas, and the promotion of aforementioned scholarships.

### 3. Providing short-term offshore study opportunities for regional Australian students.

This component of the Regional International Mobility Scheme aims to develop the global skills and perspectives, the language training, and the international networks of regional graduate workforces. There is a strong case for a more nuanced overseas mobility program designed exclusively for regional student cohorts, given the failure of the current NCP to effectively engage students from regional Australia. The students of regional universities were awarded just 7.7% of all NCP funding allocations in 2024, due largely to the NCP eligibility criteria being skewed towards the profiles of metropolitan student cohorts (for instance, age thresholds that favour the younger student cohorts found in cities, and longer minimum mobility durations and language preferences that discriminate against regional students who are more likely to come from a lower socio-economic background, and more likely to have had fewer opportunities to study foreign languages). It is envisaged that a regionally targeted mobility program would facilitate the allocation of scholarships, with criteria designed to better match the distinct needs and profiles of students studying at regional universities.

#### **RUN RECOMMENDS**

*A commitment to pilot a four-year Regional International Mobility Scheme.*

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<sup>2</sup> Department of Education. (2024). Australian Universities Accord Final Report. Accessed via <https://www.education.gov.au/australian-universities-accord/resources/final-report> on 20 January 2025

## PRIORITY 3 - INVESTING IN REGIONAL RESEARCH & INNOVATION CAPABILITIES

Australia's research and innovation landscape sees a disproportionate share of its capability becoming increasingly concentrated within a small handful of large metropolitan universities. Additionally, Australia's research funding and research-trained workforces are gravitating towards large urban centres. In an increasingly competitive and volatile global environment, this growing concentration of research talent and infrastructure represents a vulnerability in the diversity, accessibility, and culture of Australia's research ecosystem.

RUN universities host many highly successful and collaborative research clusters that are recognised as performing at, above, or well above world standard in many research areas vital to Australia's national interest. Regional university research efforts and their subsequent impacts are typically targeted and highly applied to the unique social, industrial, and cultural needs of their respective regions. Just as there is wholesale support for the benefits of national degree attainment rates to be more equitably shared amongst regional Australians, there too must be an equal focus on a more equitable distribution of Australia's research capabilities and research-trained workforces towards regional Australia.

Designed to complement the research infrastructure component of Priority 1 – Investing in Regional Australia's Education Assets, RUN proposes the establishment of dedicated regional research schemes funded as part of the Commonwealth's research investments. This may include, for instance, a funding round (or rounds) of existing research grants processes set aside for regional universities, or additional dedicated research grant schemes undertaken by regional universities to enable a growth in regional research and innovation.

### **■ RUN RECOMMENDS**

*Establishing a dedicated new research funding stream, or a dedicated funding round of an existing research program, for the exclusive purpose of building the research capabilities, outputs and research-trained workforces hosted by regional Australia.*



# PRIORITY 4 - REGIONAL WORKFORCE TRANSFORMATION AND DEVELOPMENT HUBS

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RUN acknowledges the politically bipartisan objective of transforming Australia's economy to a net zero emissions base by 2050, in accordance with our international obligations. Political debate continues to focus upon the most appropriate path towards a net zero future – including the energy mix that will ultimately achieve this transition. However, whatever the path and the resulting energy profile, it will be the communities, industries and workforces of regional Australia that will ultimately determine the effectiveness of Australia's transformation to a net zero economy.

Regional Australia hosts the majority share of the nation's natural and mineral assets, biodiversity, and sustainable energy potential. Similarly, regional Australia hosts a major share of the nation's existing fossil fuel assets, workforces and emission-intensive industries. As such, regional Australia will face the greatest degree of economic and industrial disruption linked to Australia's transition to net zero emissions by 2050. RUN acknowledges the tremendous opportunities that many regional communities may realise during this transformation, provided they are positioned to respond to emerging workforce demand.

As such, RUN advocates for a network of Regional Workforce Transformation and Development Hubs to be strategically embedded within key regional communities. These hubs would bring together major regional industries, businesses, vocational training providers, schools and universities to better coordinate the task of planning, preparing and transitioning regional workforces towards the emerging industries of a net zero future. The hubs would identify the aspiration-building, skills, education and the research/innovation required by regional communities, while responding to these needs in a coordinated manner. It is intended that other aspects of this election manifesto – such as the infrastructure and research components – could be utilised to support the establishment and operation of the hubs.

## **■ RUN RECOMMENDS**

*A commitment to undertake a feasibility study into the design, scope and location of a national network of Regional Workforce Transformation and Development Hubs, hosted by regional universities.*





**For further information please contact  
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