

# RUN SUBMISSION TO SELECT COMMITTEE ON PRODUCTIVITY IN AUSTRALIA

FEBRUARY 2026





## ABOUT THE REGIONAL UNIVERSITIES NETWORK

The Regional Universities Network (RUN) welcomes the opportunity to contribute to the Select Committee on Productivity in Australia consultation process.

RUN is a national collaborative group of six regional Australian universities: Charles Sturt University, CQUniversity Australia, Federation University Australia, Southern Cross University, University of New England, and University of Southern Queensland.

This submission reflects the positions of RUN institutions, and in doing so, also aims to represent the views of the communities which RUN universities serve; the one-third of Australians who live outside of metropolitan centres in regional, rural and remote locations.

For further information please contact RUN on 0408 482 736 or [info@run.edu.au](mailto:info@run.edu.au).

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# OVERVIEW

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RUN welcomes the specific focus the Committee has placed upon Australia's regions within the Terms of Reference and the Discussion Paper associated with the inquiry and reporting. As such, RUN's response will address the guiding questions posed within the 'Productivity in regional Australia' section of the Discussion paper. RUN highlights five key issues linked to regional productivity as it relates to the university services and opportunities available to regional Australians.

These issues are:

1. Increasing regional tertiary aspiration, participation and attainment.
2. Globalising regional campuses and workforces.
3. Regional tertiary infrastructure.
4. Regional research and development capabilities.
5. Disproportionate regulatory burden upon regional universities.

RUN believes that all Australians, regardless of background or geography, should have access to an equitable standard of university opportunities, tertiary facilities, and research services. Furthermore, RUN believes in the productivity dividends that can be achieved as Australia works towards a more equitable tertiary sector.



# INCREASING REGIONAL TERTIARY ASPIRATION, PARTICIPATION AND ATTAINMENT

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The Australian Universities Accord (the 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<sup>1</sup>. The Accord made a series of recommendations that sought to address the various geographic imbalances of Australia's current higher education system – including the concept of Needs Based Funding – which RUN continues to support. The equity-driven objectives of the Accord, and the recommendations that accompanied it, will undoubtedly ensure a more balanced and sustainable higher education system that benefits all Australians into the future, regardless of background or location. As such, RUN is highly supportive of the establishment of an Australian Tertiary Education Commission (ATEC) to guide the sector towards meeting the outcomes of the Accord.

If designed and implemented effectively, the ATEC will unlock the fuller skills potential of all Australians, in particular regional Australians and those who have historically been underrepresented in tertiary attainment. In fact, if regional Australia were its own country, it would rank 39th of 40 OECD countries for bachelor degree attainment by age 35; metropolitan Australia would rank 6th<sup>2,3</sup>. This stark education attainment gap must be addressed to increase Australia's productivity. RUN acknowledges that ultimately, much of the ATEC's potential to impact positively on the tertiary opportunities afforded to all Australians will stem from the expertise it hosts, the resources it holds, and the independence it is granted to perform its functions effectively.

Australia's regions have experienced high population growth in recent years, with nearly four in ten Australians now living outside the largest capitals<sup>4</sup>. Despite the increasing demand among regional communities for highly skilled and educated workforces, regional Australians remain far less likely to obtain a university qualification, drive national research and innovation priorities, or access the talent pools of international student graduates, compared to metropolitan Australians.



# INCREASING REGIONAL TERTIARY ASPIRATION, PARTICIPATION AND ATTAINMENT

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While RUN represents 12 per cent of all domestic undergraduate students in Australia, the network hosts one in five of all low SES students, one in five of all Indigenous students, and one in four of all regional/remote students<sup>5</sup>. Increasing the participation and attainment of traditionally underrepresented students will drive productivity and allow the nation to meet its projected skills needs.

Regional tertiary education providers play a crucial role in Australian society. They deliver local jobs, make significant social and economic contributions to their local communities, and provide community relevant and engaged research<sup>6</sup>. In developing Australia's regions, regional universities produce a significant home-grown workforce with over 70 per cent of regional graduates remaining in regional areas five years after their graduation<sup>7</sup>. With a high proportion of graduates remaining in the regions, regional Australia's skillset and talent density increases as does increasing regional capability and regional economic resilience. As a result, national productivity will increase as high-demand skills are more prevalent and evenly distributed across Australia.

Increasing regional tertiary aspiration, participation, and attainment is important in driving regional, and subsequently national, productivity.

## **I** **RUN RECOMMENDS**

*That the Government expedite the implementation of recommendations arising from the Australian Universities Accord.*

*That the ATEC be appropriately funded and staffed to enable it to be the independent and expert body as outlined in the Australian Universities Accord.*

*That the Government implements appropriate measures to encourage traditionally underrepresented groups to enrol in tertiary education, especially within regional Australia.*



# GLOBALISING REGIONAL CAMPUSES AND WORKFORCES

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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. Australia's regions provide two-thirds of all national export wealth<sup>8</sup>. Despite this, regional Australian university campuses lack the same degree of global experiences, opportunities and perspective as that typically enjoyed by metropolitan university campuses. Similarly, regional workforces lack the same access to skilled international graduates as that enjoyed by metropolitan Australia.

International education contributed \$53.6 billion to the Australian economy in 2024-25, making it Australia's fourth largest export, with \$38.7 billion directly attributable to higher education<sup>9</sup>. Regional university campuses host three per cent of all higher education international students studying in Australia in 2024, compared to 97 per cent studying in major cities in Australia<sup>10</sup>. A greater geographic dispersal of international students would result in a more equitable distribution of the social and economic benefits of international education. This dispersal of international students would spread economic activity beyond major metropolitan hubs thereby reducing strain on urban infrastructure and addressing skill shortages in regional, rural, and remote areas.

Additionally, nine out of every 10 Australian students studying abroad on a New Colombo Plan (NCP) scholarship in 2024 came from a metropolitan university<sup>11</sup>. The NCP scholarship is designed to develop students' Indo-Pacific capability and Asia literacy. In the long-term, the NCP aims to increase Australia's economic engagement with the region by supporting participants to build job-ready skills and maintain their ties to the Indo-Pacific. The disparity between metropolitan and regional institutions poses significant vulnerabilities in regional Australia's ability to effectively engage with global opportunities from a position of real-world experience. The concentration of NCP scholarship recipients from metropolitan universities limits the ability of regional Australia to leverage, and benefit from, firsthand knowledge of the Indo-Pacific region, which is increasingly critical for trade, investment, and economic growth. By 2030, the productivity and other gains associated with widespread supply chain modernisation could increase Australia's annual GDP by 1.4 per cent, investment by 1.6 per cent, and exports by 1.2 per cent<sup>12</sup>.



# GLOBALISING REGIONAL CAMPUSES AND WORKFORCES

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

1. Restorative NOSC growth towards regional universities. RUN supports the Government's intention to redistribute the current concentrations of international students more equitably towards regional campuses via a managed system of allocation. RUN also welcomed the favourable New Overseas Student Commencement (NOSC) allocations that some regional universities were provided for 2026. Despite this, it remains the case that of the four Australian universities whose international enrolments in 2026 remain below pre-pandemic levels, all four are based in regional Australia. RUN universities experienced the greatest downturn in international enrolments since the pandemic, and the slowest post-COVID recovery, of all universities. While the sector has seen growth in NOSCs of 28 per cent from 2019 – 2026, RUN universities have seen a 27 per cent decline during the same period. If the Government genuinely wants to see a greater geographic dispersal of international student cohorts, alongside a more equitable distribution of the social and economic benefits of international education, then it must continue to provide favourable, restorative NOSC allocations towards regional universities.
2. 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.

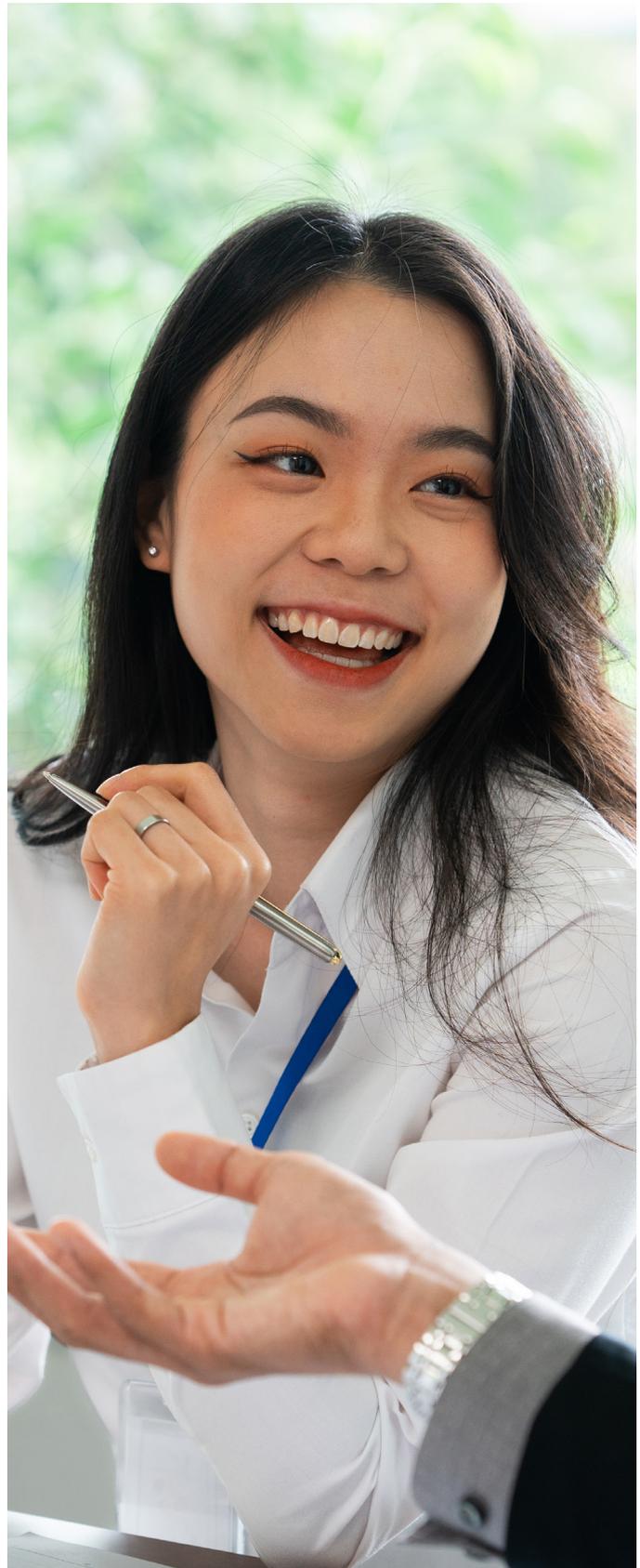


# GLOBALISING REGIONAL CAMPUSES AND WORKFORCES

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3. Encouraging longer-term regional settlement amongst international students and graduates. To achieve a more equitable distribution of international student and graduate talent pools towards Australia's regions, more sophisticated and nuanced student visa and migration policy settings are required. The migration settings must include a comprehensive suite of significant regional visa differentials in international study and post-study work rights policy, aligned specifically to key areas of regional skills need, in a way that strategically favours the Asia-Pacific region. RUN believes there is a social expectation and clear national interest in redistributing the benefits of Australia's international student and migration settings more equitably towards the regions by trialling new approaches.
4. 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." ~ Australian Universities Accord Final Report<sup>13</sup>.*



# GLOBALISING REGIONAL CAMPUSES AND WORKFORCES

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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.

5. 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 below 8 per cent 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 targeted scholarships, with criteria designed to better match the distinct needs and profiles of students studying at regional universities.

## **I** **RUN RECOMMENDS**

*A commitment to pilot an appropriately resourced, four-year Regional International Mobility Scheme.*



# REGIONAL TERTIARY INFRASTRUCTURE

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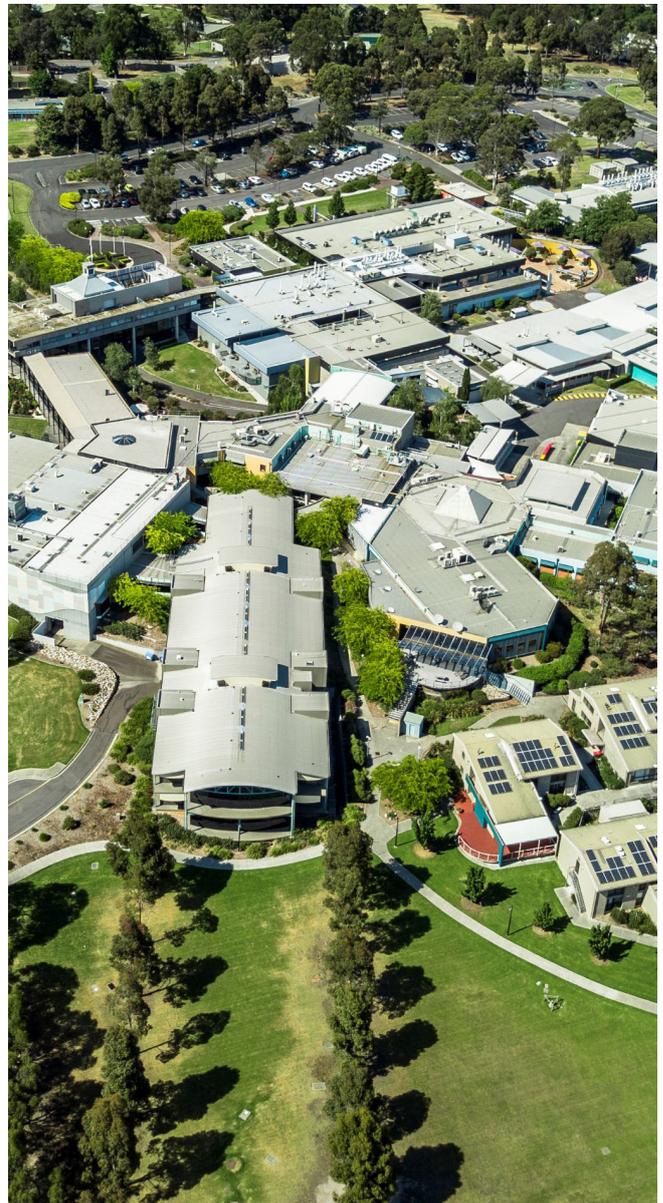
The Australian Universities Accord found that the distinct social missions of regional universities – typically characterised by their geographically dispersed campus networks in lower-density student markets – leaves regional providers with considerably less capacity to build or improve their physical infrastructure<sup>14</sup>.

Compounding the disadvantage of unscaled operations in regional higher education is the elevated cost of construction, maintenance, equipment, and supply chains in regional Australia. For instance, the 2024 Rawlinsons Construction Guide recorded that, compared to the nearest capital city, the cost of construction on projects \$1.5m and above were 10 per cent higher in Armidale; eight per cent higher in Dubbo; and 17 per cent higher in Rockhampton, Mackay, or Gladstone<sup>15</sup>. These inflated regional construction costs represent a disproportionate cost burden for regional universities.

Specifically, the review found that the specific 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.”*  
~ Australian Universities Accord Final Report, page 268<sup>16</sup>.

No dedicated infrastructure funding pool has been available for over a decade, resulting in an accumulation of urgent, unmet infrastructure priorities for the universities relied upon by regional Australians. 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, 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 the forecast growth in students, particularly those from underrepresented backgrounds: regional



# REGIONAL TERTIARY INFRASTRUCTURE

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universities continue to undertake the nation's heavy lifting in terms of meeting the 2050 equity attainment targets of the Australian Universities Accord. The proposed REIF would be structured to meet three critical aspects of university infrastructure recognised as being in greatest need by regional communities today:

1. **Education Infrastructure** including clinical teaching laboratories, workshops, disability access upgrades, library and learning spaces, maintenance and refurbishment of existing facilities, sporting and recreational amenities, 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 available to regional Australian industries, economies and communities.

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

## **I RUN RECOMMENDS**

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



# REGIONAL RESEARCH AND DEVELOPMENT CAPABILITIES

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Australia's research and innovation landscape sees a disproportionate share of its capability becoming increasingly concentrated within a small handful of large metropolitan universities. For instance, in 2024, five of Australia's 43 universities received 50 per cent of Australia's total research income<sup>17</sup>. Meanwhile, 25 universities – including all RUN universities – received less than 15 per cent combined of Australia's total research income<sup>18</sup>.

Australia's research funding and research-trained workforces are gravitating towards large urban centres. For example, in 2024, RUN received two per cent of all ARC research grants, providing fewer research progression opportunities for regional Australians, indicating funding towards metropolitan universities<sup>19</sup>. Additionally, in 2023, only five per cent of all research only and research and teaching staff worked at RUN universities<sup>20</sup>. 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.



Despite the lower numbers of research staff, regional 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 productivity 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.

RUN proposes the establishment of dedicated regional research scheme 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.

## **I 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.*

# DISPROPORTIONATE REGULATORY BURDEN UPON REGIONAL UNIVERSITIES

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Australian universities operate in a highly regulated environment, which is an important and necessary feature of a robust and sustainable tertiary sector. Nonetheless, there has been an increasing and accelerating trend of overtly prescriptive and interventionist regulation to Australia's higher education sector in recent years. Not only has the majority of new regulatory requirements been unfunded, but it is also often unhelpfully duplicated across agencies and jurisdictions creating an unnecessarily complex and burdensome regulatory environment.

The compounding higher education regulatory landscape disproportionately encumbers Australia's smaller/regional universities – those universities who typically perform the sector's heavy lifting in tertiary participation amongst equity cohorts, while routinely achieving the highest levels of student satisfaction, starting salaries, and graduate employment outcomes<sup>21</sup>. This points to the broader social and economic impact that regional universities are delivering to the communities they serve.

It is Australia's smaller/regional universities who have the least capacity to continue absorbing the escalating magnitude of regulatory burden without compromising student supports, experiences, and opportunities. These impacts run counter to the objective of a tertiary regulatory system that puts students first.

Increased regulation directly correlates with higher operational and compliance costs, creating significant financial challenges if not accompanied by adequate funding or revenue adjustments. These costs include staffing, legal fees, new technology, and administrative time. At a sectoral level 13 universities remained in deficit in 2024, after 26 in deficit in 2022 and 25 in 2023, and compliance costs and activities are further increasing for the sector<sup>22</sup>. Resources consumed on regulatory compliance are resources that cannot be spent elsewhere, such as supporting the delivery of education.

## **I RUN RECOMMENDS**

*Conduct a comprehensive multi-jurisdictional review of the higher education sector's regulatory environment that has scope to reduce the duplication of reporting and data collection and to ease the regulatory burden upon universities via a more streamlined "report once-use often" model.*

# ENDNOTES

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For further information please contact  
RUN on [info@run.edu.au](mailto:info@run.edu.au)

