

Tuesday 30 June 2026

The Regional Universities Network (RUN) welcomes the opportunity to contribute to the Joint Standing Committee on Trade and Investment Growth: Creating sustainable economic growth in rural and regional Australia.

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. RUN firmly believes that regional universities are essential to the creation of sustainable economic growth in rural and regional Australia.

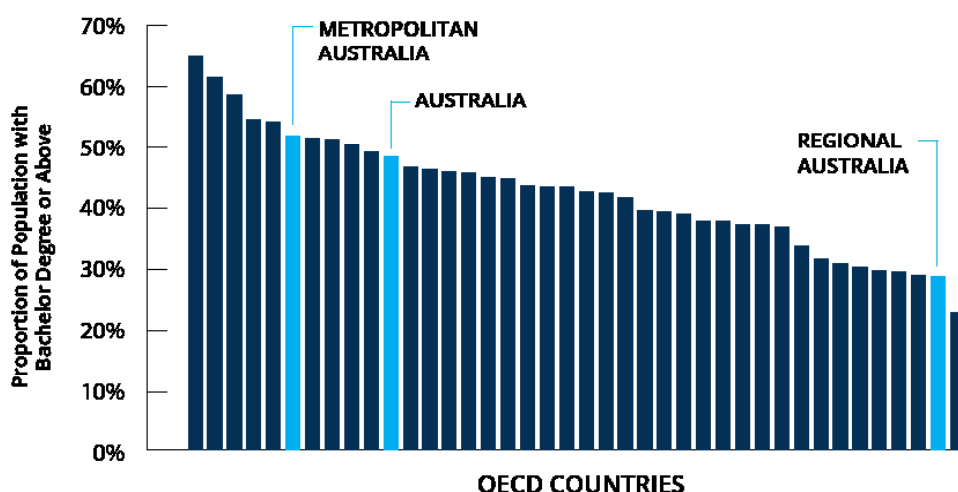
Overview

RUN welcomes the Joint Standing Committee on Trade and Investment Growth's examination of matters that contribute to sustainable economic growth in rural and regional Australia.

At the most fundamental level, RUN believes that truly sustainable economic growth in rural and regional Australia requires a dynamic, highly skilled, and locally derived work force.

Australia's regions host many world class regional universities whose graduates consistently outperform the national average in terms of graduate employment rates, graduate starting salaries, and levels of employer satisfaction¹. The Australian Universities Accord Final Report highlighted that among Australians aged 25 to 34, the rate of attainment of a university degree is lower among those from regional, rural and remote areas (23.8 per cent) than major cities (44.6 per cent)². Indeed, if regional Australia was viewed as its own country, it would rank 39th amongst 40 OECD countries for bachelor degree attainment by age 35, while metropolitan Australia would rank 6th.

Figure 1. Bachelor Attainment or Above – 25-34 Year Olds^{3,4}



Despite lower rates of tertiary aspiration, participation, and attainment amongst regional Australians, the evidence shows that regional Australians who do attain tertiary qualifications are far more likely to remain working in the regions if they received their training in the regions. Jobs and Skills Australia (JSA) found that 70 per cent of regional school leavers who attended a university in regional Australia remain living in a regional area five years later⁵. However, JSA found that the reverse is also true – that 76.9 per cent of regional school students who moved to a major city to study at university remained living in a major city after five years⁶. JSA concluded that providing access to higher education in the regions is critical to supporting the development of skilled labour into the future⁷.

It is therefore imperative that for sustainable regional economic growth to occur, regional Australians must have access to an equitable standard of university opportunities, tertiary facilities, and research services. JSA have recently developed the 10 Design Principles for the Jobs and Skills System in Regional Australia⁸, which RUN considers an incredibly effective and well-considered basis for the design of nuanced policy responses to regional contexts. RUN would urge this Inquiry to consider these 10 Design Principles as the basis for any policy response arising from this consultation process.

RUN reiterates that regional Australia's access to a dynamic, highly skilled, and locally derived work force is the foundation to any sustainable economic growth in rural and regional areas. This submission will outline five practical priorities that seek to strengthen the university services that regional Australians rely upon, while delivering nation-building dividends to all Australians:

- Priority 1 – Investing in Australia's University System.
- Priority 2 – Investing in Regional Australia's Education Assets.
- Priority 3 – Investing in Regional Research & Innovation Capabilities.
- Priority 4 – Globalising Regional Campuses.
- Priority 5 – Reducing disproportionate regulatory burden upon regional universities.

Priority 1 – Investing in Australia's University System

The Australian Universities Accord set out a blueprint for a robust and aligned higher education system. The equity-driven objectives of the Accord, and the recommendations that accompanied it, will ensure a more balanced and sustainable higher education system that benefits all Australians into the future, regardless of background or location. As such, RUN has been highly supportive of the establishment of an Australian Tertiary Education Commission (ATEC) to guide the sector towards meeting the outcomes of the Accord.

The ATEC was recommended to be an independent and expert body that will deliver stewardship of the tertiary education sector, with a broad range of responsibilities. 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. 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.

RUN believes that an independent ATEC that holds the expertise and resources it requires to perform its duties effectively would serve the interests of regional Australians over the long term.

I RUN RECOMMENDS

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

Priority 2 – Investing in Regional Australia’s Education Assets

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. 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 268⁹.

RUN universities host the nation’s highest concentrations of students from underrepresented backgrounds. For instance, approximately one in every five students from a low socio-economic background, one in every three students from a non-metropolitan background, and one in every five First Nations students currently studying at an Australian university (2024) study at a RUN university¹⁰. The social missions of regional universities position their campuses within economically unscaled and thinly populated regional markets to ensure these diverse and dispersed regional communities are able to access tertiary education services where they are located. However, the distinct social missions and operating environments of regional universities generate distinct financial challenges. While the average net operating margin for any of Australia’s eight largest metropolitan-based universities was a surplus of \$214 million in 2024, the average RUN university’s net operating margin represented a loss of -\$19 million¹¹. Indeed, between 2022 to 2024 RUN universities recorded a combined deficit of more than \$500 million. This raises serious questions regarding the equity in access to tertiary education facilities, opportunities and experiences between metropolitan and regional Australians over the long term, which risks the economic sustainability of regional communities in coming years and decades.

No dedicated infrastructure funding pool has been available to universities 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 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 an independent review into the infrastructure needs of regional universities, to inform the size, scope and duration of a competitive, temporary REIF process.

Priority 3 – Investing in Regional Research & Innovation Capabilities

Australia's most pressing sovereign R&D challenges and opportunities of the 21st century are primarily place-based within regional Australia: for instance, the national R&D imperatives linked to food, soil and water security; mineral, resource and energy security; climate change; natural disasters and disaster resilience; border and bio security; defence assets and capabilities; Australia's transition to net-zero emissions, and our Closing the Gap targets. In the regions, many of these challenges co-exist with the industries and business that constitute Australia's majority share of export wealth and activity.

Regional Australia's ability to meet these growing challenges and economic opportunities by participating more fully in the national R&D ecosystem is limited by the inconsistent availability of research infrastructure, research-trained workforces, research cultures and scaled research capabilities located outside of our largest capital cities. 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.

If Australia is to meet the national R&D objectives outlined in the landmark *Ambitious Australia: Strategic Examination of Research and Development* final report, then the role of regional Australia must be elevated and supported. The Government's eventual response to the report's 20 recommendations must acknowledge the role that regional Australians, and the universities they rely upon, must play in supporting the economy and creating a more prosperous, healthier, safer and equitable Australia via R&D activity, as articulated by the report¹². In determining a policy response to this imperative, RUN would again urge the application of the 10 Design Principles for the Jobs and Skills System in Regional Australia as developed by JSA.

Designed to complement the research infrastructure component of **Priority 2 – Investing in Regional Australia's Education Assets**, 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.

Priority 4 – Globalising Regional Campuses

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. Similarly, regional workforces lack the same pipeline of skilled international graduates as that enjoyed by metropolitan Australia.

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 came from 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.

RUN proposes a Regional International Mobility Scheme: a four-year pilot program designed to support four 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 30 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, backed by a predictable and consistent student visa processing regime.

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 (employment) 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.

3. **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 Report¹³.

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.

4. **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 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

Priority 5 – Reducing disproportionate regulatory burden upon regional universities

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 outcomes¹⁴. 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 sector¹⁵. 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.

Further enquiries can be addressed to:
Mr Alec Webb
Chief Executive Officer
Regional Universities Network
ceo@run.edu.au

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