

**LA TROBE UNIVERSITY'S SUBMISSION TO
THE LEGAL AND CONSTITUTIONAL AFFAIRS
LEGISLATION COMMITTEE**

September 2019

Inquiry into the New Skilled Regional Visas
(Consequential Amendments) Bill 2019
[Provisions]

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INTRODUCTION

La Trobe University welcomes the opportunity to respond to the Legal and Constitutional Affairs Legislation Committee's Inquiry into the New Skilled Regional Visas (Consequential Amendments) Bill 2019 [Provisions]. This submission will focus on the proposed amendments to the Higher Education Support Act 2003 (HESA).

La Trobe has four campuses outside of metropolitan Melbourne – in Albury-Wodonga, Bendigo, Mildura and Shepparton. More than 35,000 students have graduated from La Trobe's regional campuses, the majority of which continue working in regional areas, directly addressing skilled workforce shortages and contributing to the prosperity of regional communities. A recent regional economic impact report by Cadence Economics, for example, shows that each La Trobe University graduate entering the regional Victorian workforce increased regional Victorian GRP by \$104,705¹.

As one of the leading higher education providers in regional Victoria, La Trobe welcomes this Government's focus on supporting a skilled workforce for the economic benefit of regional Australia.

La Trobe welcomes proposed changes to ensure that holders of provisional skilled regional visas have access to welfare payments or government services on a par with permanent visa holders.

La Trobe welcomes proposed changes to HESA, especially the availability of FEE-HELP at the level of unit of study for bridging courses for provisional skilled visa holders. La Trobe is currently devising an engineering bridging program to be delivered at our regional campus in Bendigo, which could serve as a case study for this new opportunity.

La Trobe notes that delivering on the potential of higher education to provide significant economic stimulus and productivity gains to regional economies, requires a suite of measures in addition to those proposed for holders of provisional skilled regional visas. The disincentive of up-front fees for courses other than bridging programs equally needs to be addressed and consideration should be given to making loan programs (HECS-HELP or FEE HELP) available to both provisional skilled visa holders and permanent visa holders. Uncapping funding for Commonwealth Supported Places (CSPs) at regional campuses, consistent with the recommendations of the recent Naphthine Review (National Regional, Rural and Remote Tertiary Education Strategy), would enable delivery and in doing so, add significant economic stimulus and productivity to regional economies.

REGIONAL RETENTION AND ECONOMIC GROWTH

Introducing new visas and improving access to welfare payments and government services (as envisioned by this Bill) are important steps towards increasing the attractiveness of regional Australia for skilled migrants.

La Trobe submits that improving the suite of higher education options in regional Australia would increase the retention of regional migrants in regional communities and contribute to economic growth.

The higher the participation rate in higher education, the greater the flow-on benefits for the economy. This is true for the economy in general as it is true for regional economies. A 2016 Cadence Economics report estimated that University graduates accounted for almost 90 per cent of Australia's jobs growth between

¹ Cadence Economics (July 2017), 'La Trobe University's Regional Economic Contribution: Report for La Trobe University', p. 16.

2005-2017². A more recent Cadence Economics report, commissioned by La Trobe, concluded that in 2015, each La Trobe University graduate entering the regional Victorian workforce increased regional Victorian GRP by \$104,705. This increase in GRP is a direct result of the productivity benefits that can be achieved through investment in higher education.

Current regional skilled visa holders claim that one of the reasons they are 'forced' to leave regional Australia is the lack of higher education options³. La Trobe submits that increasing higher education options in regional Australia would make it a more attractive destination for prospective migrants and their families. Moreover, participation in higher education is likely to contribute to a deeper engagement of the new migrants in their new communities.

Through adequate support and mechanisms, such as the lifting of caps for regional campuses, universities like La Trobe can better cater for the needs of regional migrants and hence the regional communities they serve.

PROPOSED CHANGES TO THE HESA

The Bill proposes to extend the benefits currently available to permanent visa holders to holders of the new provisional skilled regional visas (subclasses 491 and 494) to allow them to meet the relevant residency requirements for access.

La Trobe welcomes the proposed changes to enable provisional skilled regional visa holders to access CSP places. However, provisional regional skilled visa holders, similar to permanent visa holders, will not be able to access HECS-HELP or FEE HELP, which will mean that for any program other than a bridging course, they will need to pay the student contribution upfront. This will be a significant financial disincentive. Accordingly, La Trobe recommends that consideration should be given to making loan programs (HECS-HELP or FEE HELP) available for both provisional regional skilled visa holders and permanent visa holders.

LA TROBE ENGINEERING BRIDGING PROGRAM

La Trobe welcomes FEE-HELP access for a unit of study that is part of a bridging course for overseas-trained professionals holding a provisional skilled regional visa.

La Trobe is currently devising an engineering bridging program to be delivered at our regional campus in Bendigo with the aim of assisting newly-arrived engineer migrants to transition to the Australian market. This program seeks to address widespread skill gaps in engineering, which are particularly acute in regional Australia.

According to a 2017 Engineers Australia report, migrant engineers have grown from 5,852 in 2008-09 to 13,265 in 2015-16⁴. Access to FEE-HELP for provisional skilled regional visa holders will mean that they can undertake the bridging program without facing the barrier of an upfront student contribution.

Further information on the proposed engineering bridging program in Bendigo can be provided on request.

² Cadence Economics (May 2016), 'The Graduate Effect: Higher Education Spillovers to the Australian Workforce', p. 4.

³ <https://www.sbs.com.au/yourlanguage/node/1471525?language=mt>

⁴ Engineers Australia (February 2017), 'The Engineering Profession. A Statistical Overview, Thirteenth Edition, p.67.