

11 April 2023

Committee Secretary
Senate Education and Employment Committees
PO Box 6100
Parliament House
Canberra ACT 2600

Re: Jobs and Skills Australia Amendment Bill 2023 [Provisions]

To the Committee Secretary,

The Regional Universities Network (RUN) welcomes the opportunity to comment on the Jobs and Skills Australia Amendment Bill 2023.

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 the University of the Sunshine Coast.

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 welcomes the Amendments to the Jobs and Skills Australia Act 2023 and provides particular support and feedback to the specific provisions outlined below.

Ministerial Advisory Board

RUN welcomes the design of the Ministerial Advisory Board such that a broad range of interests can be accommodated. RUN encourages the Minister to ensure that the perspectives of both regional and education-sector interests are proportionately represented on the Board, alongside that of other select stakeholders.

Review into Jobs and Skills Australia

RUN supports the requirement of a review into Jobs and Skills Australia within its first two years and urges the review to have a particular focus on the effectiveness to which Jobs and Skills Australia is providing a nuanced focus on the workforce and skilling needs of regional Australia.

Jobs and Skills Australia functions of identifying labour market imbalances and analysing the demand/supply of skills.

RUN supports the themes identified by previous consultations as they relate to the role of Jobs and Skills Australia and welcomes the economy-wide focus on the provision of data/analysis as it applies to regionality, traditionally disadvantaged Australians, migration settings, and the higher education sector.

RUN would encourage a nuanced approach to ensure the differences that manifest within regional Australian communities and economies are captured in Jobs and Skills Australia's advice, rather than taking an aggregate view of non-metropolitan Australia. This is particularly important, for instance, with understanding the regional differences that will undoubtedly manifest as part of Australia's green energy transition. RUN unanimously endorses Australia's climate targets and

efforts to transition to a net zero economy by 2050, noting that regional Australia hosts the majority share of the nation's natural assets, biodiversity, and renewable energy potential. Similarly, regional Australia hosts a major share of the nation's fossil fuel assets and workforces, emission-intensive industries, and loss of habitats and biodiversity. As such, regional Australia is likely to wear the brunt of environmental and economic impact linked to Australia's changing climate and may likely experience acute industrial/economic disruptions from the transition to net zero by 2050. While RUN acknowledges the tremendous opportunities for many regional communities that the transition to a net-zero economy will present, RUN also recognises the reality that these opportunities may not be evenly distributed across regional Australia. Some regions are destined to gain, or lose, significantly more during this energy transition, highlighting the importance of RUN's calls for Jobs and Skills Australia to take a nuanced, non-aggregate view of regional Australian workforce and skilling needs.

Jobs and Skills Australia's functions of analysing skills needs and workforce needs, including in regional, rural, and remote Australia, and in relation to migration.

RUN welcomes the focus of Jobs and Skills Australia on analysing skills and workforce needs including in regional, rural, and remote Australia, and in relation to migration.

Individuals who grow up in regional, remote and rural locations are around 40 per cent less likely to gain a higher-level tertiary education qualification and less than half as likely to gain a bachelor's and above qualification by the time they are 35 years old, compared to individuals from metropolitan areas¹. This difference results in over 49 per cent of people living in capital cities (aged 25 to 34 years old) having obtained a bachelor's degree or above, compared to just 25 per cent in inner regional and 29 per cent in outer regional Australia². Furthermore, opportunities to study beyond undergraduate education into research degrees are similarly limited for Australians living in regional, rural, and remote areas, who account for 27.3 per cent of the working-age population, yet only 13.4 per cent of research training students and 9.8 per cent of research degree completions. As a result, much of the research-trained workforces required by regional industries goes unmet, reducing economic opportunity, and innovation potential outside of metropolitan Australia.

Educational disparity between regional and metropolitan Australia is not limited to higher education. There also remains a persistent gap between metropolitan and regional year-12 or equivalent attainment rates with a difference of up to 21 percentage points between metropolitan and remote and very remote Australians aged between 15 and 74³.

RUN also welcome's the focus on Jobs and Skills Australia analysis as it extends to migration. Here, RUN advocates for approaches that seek to more equitably balance the benefits and distribution of migration (including that driven by international students) between metropolitan and regional Australia. Of Australia's total (pre-pandemic) overseas arrivals, less than 20 per cent settle in regional Australia annually⁴, despite Australia's regions hosting one-third of the national population. Regional Australia needs skilled migrants not only to alleviate critical skills shortages

¹ Department of Education, National Regional, Rural and Remote Tertiary Education Strategy: final report, 2019, accessed at <https://www.education.gov.au/access-and-participation/resources/national-regional-rural-and-remote-tertiary-education-strategy-final-report> on 17 October 2022

² Australian Bureau of Statistics, Education and Work, Table 34 Australia, May 2022, accessed at <https://www.abs.gov.au/statistics/people/education/education-and-work-australia/latest-release#data-downloads> on 09 March 2023

³ Australian Bureau of Statistics, Education and Work, Table 18 Australia, May 2022, accessed at <https://www.abs.gov.au/statistics/people/education/education-and-work-australia/latest-release#data-downloads> on 11 March 2023

⁴ Regional Australia Institute, Rebalance the Nation, September 2022, accessed at <https://www.regionalaustralia.org.au/Web/Research-Policy/Regionalisation-Framework.aspx> on 17 October 2022

and to bolster workforces with higher tertiary attainment rates, but to address employment demographic imbalances. Regional Australia has a lower share of working age population than that of the capital cities, with a dependency ratio of 60 dependants per 100 working-age persons in regional Australia, as compared to 50 in the major capitals⁵.

International students who study outside of Australia's capital cities (particularly those who subsequently also graduate into regional workforces via a transition to permanent residency) represent a major opportunity for many regional communities. RUN believes there is a strong case for regional Australia hosting a far greater share of the international student cohort, and for regional Australia welcoming a greater proportion of those international students who choose to remain in Australia post-graduation. Despite featuring many world-class universities, regional Australia hosted just three per cent of onshore international students (from all education sectors) in 2018⁶. Of this 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 residency⁷.

International students play a vital role in the globalisation and cultural diversification of Australia's classrooms. 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 differences⁸. Here, the contextual global-cultural exposure and exchange that international students provide to domestic cohorts is invaluable. Australian universities enjoy a significant advantage over almost every OECD nation in terms of globalisation, as measured by the proportion of international students to total tertiary student enrolments. Australia is ranked second in the world under this measure of international student mobility, with 26 per cent of tertiary classrooms being populated by international students⁹. But within Australia the benefits of the socio-cultural contributions made by international students in university classrooms is not equally shared. This poses significant vulnerabilities in regional Australia's ability to effectively engage with global opportunities from a position of real-world experience. RUN advocates for differentiation in visa and migration settings as to incentivise more international students choosing to study, and eventually settle, in regional Australian communities.

Jobs and Skills Australia's functions of undertaking studies, including on opportunities to improve employment, vocational education and training (VET) and higher education outcomes for cohorts of individuals that have historically experienced labour market disadvantage and exclusion.

RUN welcomes the explicit focus on improving employment, VET, and higher education outcomes from traditionally underrepresented groups. By natural extension, this will see a welcome focus upon the communities of non-metropolitan Australia, who (as previously discussed) are characterised by lower levels of higher education participation and attainment. Job and Skills Australia's focussed outputs will be advantageous for those who seek to design or advocate for

⁵ Regional Australia Institute, Rebalance the Nation, September 2022, accessed at <https://www.regionalaustralia.org.au/Web/Research-Policy/Regionalisation-Framework.aspx> on 17 October 2022

⁶ Australian Government Department of Education and Training, International students studying in regional areas, February 2019, accessed at: <https://internationaleducation.gov.au/research/Research-Snapshots/Documents/Location%20of%20International%20Students%20in%202018.pdf> on 2 November 2022

⁷ Parliament of Australia, Overseas students in Australian Higher Education: a quick guide, April 2022, accessed at: https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Library/pubs/rp/rp2021/Quick_Guides/OverseasStudents on 22 November 2022

⁸ Education Council, Alice Springs (Mparntwe) Education Declaration, December 2019, accessed at <https://www.education.gov.au/alice-springs-mparntwe-education-declaration/resources/alice-springs-mparntwe-education-declaration> on 20 February 2023.

⁹ Organisation for Economic Co-operation and Development, International Student Mobility, 2020, accessed at <https://data.oecd.org/students/international-student-mobility.htm> on 20 February 2022.

more effective means to lift the participation and success in education, training, and employment amongst underrepresented groups.

It is RUN's belief that the disparities in educational participation and qualification attainment between regional and metropolitan Australia, and the often stronger demands for skilled workers in regional, rural, and remote locations, illustrate that Australia's regional communities contain the greatest concentrations of untapped economic potential. RUN believes that tapping into this potential via dedicated efforts to boost regional training, skilling and research will deliver benefits to all Australians. In its 2020 report, *The importance of universities to Australia's prosperity*, Deloitte Access Economics concluded that in present value terms, the average bachelor's level graduate accrues an additional \$142,000 in post-tax earnings over their lifetime¹⁰. Relative to the average person with no post-school qualification, this represents a discounted earnings premium of 31 per cent¹¹. When translating the value of higher education to a regional context, the Regional Australia Institute estimates that if people in the regions had the same share of bachelor's level qualifications as in metropolitan areas, there would be more than 461,000 additional graduates living and working in regional Australia, collectively earning about \$26 billion each year, based on average graduate salaries¹². Deloitte Access Economics modelling indicates that each percentage point increase in higher education attainment – equivalent to around 50,000 more higher education qualified workers – is associated with a 0.09 per cent increase in GDP per annum, representing \$1.8 billion in additional economic activity annually¹³. If regional Australia achieved bachelor's-level educational attainment parity with metropolitan Australia, the 461,000 additional regional graduates could generate an annual boost in GDP worth an additional \$16.5 billion.

Conclusion

Overall, RUN welcomes the Amendments to the Jobs and Skills Australia Act 2023 and is satisfied that regional Australian communities and workforces will not be overlooked in Jobs and Skills Australia's operations and outputs. RUN looks forward to contributing to the success and effectiveness of Jobs and Skills Australia and utilising its outputs and analysis to further education and training opportunities for regional Australians.

Please do not hesitate to contact the RUN Secretariat on 0408 482 736 or via e-mail at execdir@run.edu.au to discuss any elements of the submission further.

Kind regards,

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¹⁰ Deloitte Access Economics, *The importance of universities to Australia's prosperity*, 2020, accessed at: <https://www.universitiesaustralia.edu.au/wp-content/uploads/2022/04/Report-The-importance-of-universities-to-Australias-prosperity.pdf> on 26 October 2022.

¹¹ Ibid.

¹² Regional Australia Institute, *Rebalance the Nation*, September 2022, accessed at <https://www.regionalaustralia.org.au/Web/Research-Policy/Regionalisation-Framework.aspx> on 17 October 2022

¹³ Deloitte Access Economics, *The importance of universities to Australia's prosperity*, 2020, accessed at: <https://www.universitiesaustralia.edu.au/wp-content/uploads/2022/04/Report-The-importance-of-universities-to-Australias-prosperity.pdf> on 26 October 2022