

Charles Darwin University

Submission to the review of
Australia's migration system

December 2022



Table of Contents

Australia's most connected university	3
Summary of submission and recommendations	3
Demographic considerations for Northern Australia	4
International education	6
The role of migration in effective workforce planning	7

Australia's most connected university

Charles Darwin University's (CDU) vision is to be Australia's most connected university by being courageous and making a difference in the Northern Territory (NT), Australia and beyond.

Being a dual sector university allows CDU to meet the education needs of Territorians in campuses in Darwin, Alice Springs, Palmerston and Katherine and in study centres in Nhulunbuy, Jabiru and Tennant Creek. CDU has a proud history of delivering on country in some of the NT's most remote locations.

At the heart of CDU is to engage First Nations students and support their attainment of vocational and higher education. The NT spans approximately one sixth of Australia's landmass and yet is home to just one per cent of the population, of whom 30 per cent are First Nations peoples.

CDU embraces the vitality and resilience of the NT, which is the focus of the nation's most ambitious plans for future development – to unlock the vast potential of Northern Australia and to engage with our neighbours in the Asia Pacific. Due to its location, CDU is in an enviable position to contribute to the future prosperity of Northern Australia through innovative and impactful training, education and research.

CDU supports the NT Government's ambitious goal of reaching a \$40 billion economy by 2030 by leveraging the strengths of the NT and its people.

Summary of submission and recommendations

This submission seeks to provide CDU's training, education and research expertise within the unique environment of the NT and focuses on opportunities for revisions to the migration system to underwrite population and economic growth and address workforce shortages in the NT in particular, and Northern Australia more broadly. This submission also addresses ways the migration system could better support international students and provide enhanced opportunities to transition from student visas to permanent migration streams.

In parallel to the Review of Australia's migration system (the Migration Review), the Treasurer, the Hon Jim Chalmers MP initiated a consultation process to inform an Employment White Paper in September 2022, first with the Jobs and Skills Summit. A process to develop a Universities Accord was announced by the Minister for Education, the Hon Jason Clare MP on 16 November 2022. CDU commends the Government for its aspiration to bring together the complementary themes of these processes to inform future policy settings that improve productivity and labour force participation.

CDU would welcome an opportunity to expand further on this Submission or provide any research expertise which may be of benefit to the Review's eminent panel.

Recommendations

CDU recommends that:

1. international migration be incentivised for remote and very remote Australia where patterns of demographic, economic and workforce trajectories are fundamentally different to what is generally described as 'regional Australia'.
2. the Migration Review consider options to establish migration targets for skilled and other migration visas for remote and very remote Australia, and the whole of the NT, so that Northern Australia can grow.

3. consideration be given to developing a 'climate refugee' scheme for application to the relocation of affected residents from Pacific Island states to the North of Australia.
4. the Migration Review include options to address the timeliness, complexity and unnecessary burden of migration pathways to attract and retain international students.
5. the Migration Review reviews the Genuine Temporary Entrant criteria and identifies other opportunities and incentives for international student graduates to access permanent migration streams.

Demographic considerations for Northern Australia

The Northern Territory, and Northern Australia more broadly, are recognised for their untapped potential to deliver economic dividends for the nation and as a strategically vital part of Australia's geopolitical posture. This was highlighted in the Our North, Our Future White Paper on developing Northern Australia. Since the release of the White Paper in 2015, the economic and strategic importance of Northern Australia has increased due to geopolitical developments and the impact of these on energy-generating and other resources.

With a small and dispersed population, the NT forms a crucial part of the Nation's economic, cultural and strategic fabric. While this is the case, the NT has struggled in recent decades to maintain stable population and economic growth. In particular, the share of internal migrants from other States and the ACT coming to the NT has fallen substantially, creating a strong reliance on net overseas migration to drive population growth.

Challenges

There has been a long-term erosion in the competitiveness of the NT and Northern Australia as a destination for internal workers in Australia, alongside a reduction in the average 'length of stay' in the North. This has contributed to pre and post-pandemic acute shortages of skilled and other workers which has not been fully compensated for by international migration.

There is an increasing dependence on early career workers in the workforce whose dominant migration pattern is to enter the Territory workforce aged in their early to mid-20s and exit at early to mid-30s. The Territory is a prime example of part of regional Australia which is locked into this pattern of population and workforce dependence.

There was much anticipation around a great COVID-19 rural 'migration wave' during the lockdowns of 2020 and 2021. However, CDU's Northern Institute assesses that only places that were already growing at above-average rates attracted 'city leavers' and, in any case, these were primarily places that should not be considered rural, such as the Gold Coast, Sunshine Coast, Newcastle and others. Internal migration flows have now returned to pre-pandemic trends spatially.

The NT is Australia's fastest ageing state or territory proportionally, albeit from a low base of population in older ages. It is approximately 20 years behind the rest of Australia. Impending, inevitable structural ageing will significantly reduce the ratio of workforce to older population (age dependency ratio) in coming decades and this will generate long-term constraints on the capacity to grow the workforce unless international migration competitiveness is enhanced.

Opportunities

To compensate for the long-term population trends described above, which are anticipated to continue into the foreseeable future, the scale of international migration must increase beyond prior numbers. International migration plays a crucial role and governments should focus on attracting international migration from source countries where migrants have demonstrated a penchant for coming to and staying in Northern Australia over the past 15 years. For the NT these include the Philippines, Nepal, India and others. These source countries did not historically provide large numbers of overseas born residents, but are now growing rapidly. However, this growth does not compensate for declines in the traditional sources for overseas workers and residents such as from the UK, Germany and Italy.

Consequently, there is an opportunity to grow the workforce and population of the North by streamlining the visa process and creating additional incentives across temporary and permanent visa streams to unlock growth in the North and deliver economic benefits nationally.

The struggle to attract and retain workforce and population is a common one for remote and very remote parts of Australia, including most of Northern Australia. Unfortunately, and outlined in the Migration Review's discussion paper, the current definition of 'regional' Australia comprises all areas of Australia apart from Sydney, Melbourne and Brisbane. This places remote and very remote areas at a distinct disadvantage for some visa streams.

Recommendation 1

That international migration be incentivised for remote and very remote Australia where patterns of demographic, economic and workforce trajectories are fundamentally different to what is generally described as 'regional Australia'.

The NT has typically received around one per cent of the national migration intake, in line with its population base, however this is declining over time and, to address population growth and workforce needs, the NT needs to receive more than around 2.5 per cent per annum. This target-based approach could be considered by the Review as a means for compensating the erosion in the capacity for Northern Australia to attract and retain Australian born and post-visa permanent residents or citizens. This would not only address workforce and population challenges but would strengthen the strategic positioning of Australia in the geopolitical pivoting towards the Asia-Pacific.

Recommendation 2

That the Migration Review consider options to establish migration targets for skilled and other migration visas for remote and very remote Australia, and the whole of the NT, so that Northern Australia can grow.

Consideration might also be given to developing a 'climate refugee' scheme for application to the relocation of affected residents from Pacific Island states to the North of Australia. This is pertinent given the links between climate similarity and the retention of the new migrant communities in the populations of Northern Australia. This might be considered part of Australia's contribution to the global climate change compensation fund.

Recommendation 3

That consideration be given to developing a 'climate refugee' scheme for application to the relocation of affected residents from Pacific Island states to the North of Australia.

International education

International education and training is a valued contributor to Australian and NT economies, contributing around \$40 billion a year to the Australian economy pre-COVID. For the NT in 2019-20 it supported nearly 800 Territory jobs.

The NT international student market was resilient during COVID-19, as CDU, and others, worked to provide adequate support for students both physically in the NT and those continuing studies online from their home countries. The NT was the only State or Territory in Australia that recovered beyond its pre-COVID-19 levels in Semester 1, 2022.

International students contribute to the NT as a source of part-time employment whilst studying, and contribute towards the skilled workforce upon graduation by obtaining employment in a wide range of occupations, such as chefs, teachers, nurses, accountants and social workers. International students typically also draw tourism into Australia with visiting relatives and friends.

Research for the Commonwealth Government estimated in 2018 that an individual student spends on average more than \$21,000 each year in Australia, in addition to their tuition and any revenue from visiting relatives and friends.

It is important to contextualise economic considerations with the significant societal benefits derived from NT's international students. International students improve the NT's vibrant and diverse community and are often active volunteers, supporting the local community via a range of initiatives and organisations including the Red Cross, Melaleuca Australia, and the Kindness Shake.

Study NT's International Education and Training Strategy has a goal to increase the number of international students choosing to study in the NT to 10,000 by 2025. In parallel, CDU's plan for international student growth would see the current 2,000 international students grow to 4,000 in 2025 and then 8,000 in 2027. If successful and sustained, this growth in international students will significantly contribute to the NT's target of reaching a \$40 billion economy by 2030.

Challenges

Concerns about the timeliness, complexity and unnecessary burden of migration pathways are well described elsewhere and CDU supports any opportunity to simplify and streamline visa processing. In addition, there is a perception, perhaps exacerbated through the period of closed borders during the COVID-19 pandemic, that visa conditions can be subject to unexpected change. CDU supports surety and transparency in the setting of migration policies to mitigate this perception.

At the time of writing, CDU has observed an unexpected spike in visa rejections which is causing concern for those applying for student visas. Although this may be related to the Department of Home Affairs clearing a backlog of cases in 2022, should this issue persist it would present a reputational risk to Australia as a destination of choice for international students. In addition, rejections have the potential to reflect poorly on providers as they impact the Visa Evidence Level. This issue, although presumably temporary, demonstrates the need for better transparency and proactive communication from the Department of Home Affairs. CDU proposes that better communication and collaboration between the institutions that support international students and migration sectors could help identify and mitigate issues that arise.

Recommendation 4

That the Migration Review include options to address the timeliness, complexity and unnecessary burden of migration pathways to attract and retain international students.

Opportunities

A more longstanding issue is the operation of the Genuine Temporary Entrant criteria. Before being granted a student visa, the Genuine Temporary Entrant criteria require students to describe a range of personal circumstances including that they have significant incentives to return home. While preserving the objective of students visas, the Genuine Temporary Entrant criteria could be reviewed so that it is not a disincentive to attracting students open to staying to Australia after their studies.

CDU supports the recently announced extension of post-visa work rights for international students, which is presently six years in the NT. CDU argues that differential post-visa work rights provide a necessary competitive advantage for regional, rural and remote Australia. Universities have an important role to play in ensuring international students have a positive experience in their destination of choice. This includes working with local communities and industries to provide meaningful opportunities for international students, such as placements, in line with domestic students.

Consideration should be given to developing permanent migration pathways for international graduates, who can spend around 10 years participating in their Australian communities with no guaranteed pathway to citizenship. This is especially relevant if graduates have demonstrated a connection to the community where they have studied and have the opportunity to ease demographic challenges outlined above. One option supported by CDU is to allow international students to access additional points towards skilled visa applications where a student has studied in regional or remote areas.

Recommendation 5

That the Migration Review reviews the Genuine Temporary Entrant criteria and identifies other opportunities and incentives for international student graduates to access permanent migration streams.

The role of migration in effective workforce planning

CDU supports the proposition in the Migration Review's discussion paper that more attention needs to be given to the important connections between domestic skills development and training and migration.

Opportunities

While population-wide targets may be useful for jurisdictional policy-makers, place-based workforce planning can provide localised solutions. For example, workforce planning for a remote community may identify with specificity how many nurses, allied health workers, retail workers or otherwise are required. Such region-level planning has the potential to facilitate targeted training and recruitment, including from migration pathways.

CDU proposed in its submission to the Treasury Employment White Paper process that place-based approaches should be supported with more innovative funding mechanisms. When empowered by local decision-making, place-based approaches can be effective in identifying and meeting community wide infrastructure, service-system and workforce needs. However, in order to develop local, placed-based solutions, it is usually training and/or employment providers, along with business and non-government organisations which are responsible for navigating systems.

Acknowledging the existing Designated Area Migration Agreement for the NT, the role of the migration system could be further harnessed to allow communities to meet local workforce needs.