

Charles Darwin University

Submission to the Review of Regional
Migration Settings Discussion Paper.

July 2024



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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, with campuses in Darwin, Alice Springs, Palmerston and Katherine and in study centres in Nhulunbuy and Tennant Creek. CDU has a proud history of delivering on country in some of the NT's most remote locations, bringing training directly to communities who need it in places such as Galiwinku, Maningrida, Borroloola, Wadeye and Hermannsburg.

At the heart of CDU, is the engagement of First Nations students to support their attainment of vocational and higher education (degree 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 embrace the vitality and resilience of the Northern Territory, 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 our location, we are in an enviable position to contribute to the future prosperity of Northern Australia through innovative and impactful training, education and research.

International education is a vital part of CDU. Nationally, our international student numbers are tiny, but to CDU and the NT they are very significant. International students bring a vibrancy to Darwin; are warmly welcomed into the community; and help fill skills gaps while studying and upon graduation. In the context of dire skills shortages, and lower than national average rental vacancies, the social license for international education in the NT is distinct from that in major metropolitan cities.

The Territory is ready and waiting to accommodate and welcome more international students - we have aligned our CDU growth plans with the NT Government's target to reach 10,000 international students by 2030.

CDU continues to strongly advocate for its ambition to reach growth projections for international education and training. As the only University headquartered in the NT, CDU continues to receive the strong support of the NT Government to realise the benefits of a strong and diverse international education environment.

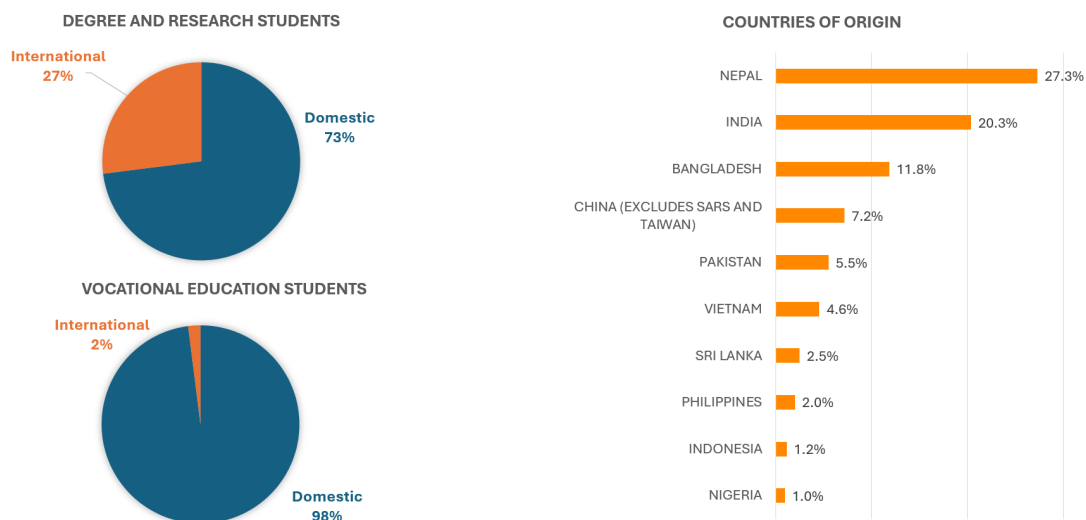
Summary of Recommendations.

Although outside the immediate scope of the migration review, we are submitting this document to specifically address international students. This aligns with our area of expertise and highlights the significant potential for attracting international students to the Territory as a clear migration pathway for living, working, and studying in our region. CDU recommends the following:

1. Support Existing Strong Markets.
2. Allow Onshore Applications for Remote Locations.
3. Establish a Category 4 Classification.
4. Revise Evidence Level (EL) Requirements.
5. Free School Fees for Dependents.
6. Increase Working Hours for Student Visa Holders.
7. Improve Institutional Retention.

Our International Student Profile.

At a snapshot, our current international student profile reveals:



CDU international students are enrolled in a diverse range of courses. Many of these students choose to study in disciplines identified as critical skills shortages within the Territory. This alignment not only helps address local workforce needs but also provides students with valuable opportunities to gain skills that are in high demand. These fields include healthcare, engineering, information technology, education, and other areas crucial for the region's development. By pursuing studies in these key areas, international students at CDU contribute to the local economy and community, enhancing their own career prospects while supporting the Territory's growth and development goals.

Program	Acceptances Semester 1, 2024
Bachelor of Nursing	81
Master of Data Science	63
Master of Nursing Practice (Pre-Registration)	59
Master of Information Technology (Cyber Security)	54
Master of Information Technology (Information Systems)	52
Master of Professional Accounting (Professional Practice)	46
Bachelor of Information Technology	46
Certificate IV in Kitchen Management	32
Master of Medical Laboratory Science	29
Bachelor of Humanitarian Aid and Development	29
Master of Business Administration Sustainable Leadership	29

CDU is dual sector in a thin student market.

Our main campuses are truly integrated dual-sector institutions, offering a seamless blend of degree education and vocational training as well as research. For example - on any given day at our Katherine Rural Campus, you might see cutting-edge drone technology and research, advanced agricultural educational programs, all set against the backdrop of a fully operational training cattle stud. This integration provides students with a unique and comprehensive learning experience, enabling them to pursue a wide range of academic and practical skills in one cohesive environment.

International students only make up 17% of the total student population at CDU. However, when focusing specifically on degree education, this percentage increases to 27%. This highlights the prominent role international students play within the university's degree education programs, contributing to the diverse and global character of CDU's academic community.

The NT has the lowest number of international students compared to other regions in the country. When considering the population base, the number of new enrolments, or commencements, into degree education or vocational education and training (VET) programs in the NT up to March 2023 is also the lowest in Australia. This indicates a significant disparity in attracting international students to the NT, highlighting the challenges faced in boosting international student numbers in this region.

The Territory embraces international students.

Nearly half of the population in Darwin is either born overseas or has both parents born overseas. This diverse demographic composition enriches the social and cultural fabric of the city, making it a vibrant multicultural society.

During their studies and beyond, international students play an integral role in this multiculturalism. They actively participate in various aspects of community life, including cultural, social, and advocacy efforts. By engaging in these activities, they not only enhance their own educational and social experiences, but also contribute significantly to the broader community. Furthermore, through their interactions and connections, they promote Darwin's diverse and dynamic culture to their friends and families worldwide, thereby fostering international awareness and appreciation of our city's unique character.

In alignment with the Northern Territory Government's International Education and Training (IET) Strategy 2019-2025, there is a strong ambition to grow the Territory's international education sector significantly. The strategy outlines a comprehensive plan to attract and support international students, with a specific goal of increasing the number of international students studying in the Northern Territory to 10,000 by the year 2023. This initiative aims to enhance the region's educational landscape, boost the local economy, and promote cultural exchange and diversity within the community.

As the only university and TAFE in the Northern Territory, CDU holds a unique and pivotal role in achieving this goal. Any constraints on student numbers and migration should consider that CDU will be the primary institution supporting the majority of these international students. This exclusive position underscores our commitment to expanding educational opportunities and fostering a diverse, vibrant academic community in the Northern Territory.

While the NT Government continues to incentivise Australian workers to move to the NT, there is broad consensus that the population base must also increase through international migration. There is recognition of Northern Australia's fundamentally different workforce trajectory than other places described as 'regional'. This is already reflected in migration settings, including regional considerations for post-study work rights.

CDU primarily attracts international students from India, Nepal, and Bangladesh. These students form vibrant community, religious, and social groups within the Darwin and Palmerston regions. Their active involvement in these groups underscores their strong community ties and familial support systems, which contribute to their successful integration and commitment to long-term residency. These students bring with them rich cultural traditions and perspectives that enhance the social tapestry of our regions. Their presence not only supports the growth and development of the local community but also exemplifies the welcoming and inclusive nature of Darwin and Palmerston.

According to the national Graduate Outcomes Survey (GOS), CDU is recognised as one of the top-performing universities in Australia for graduate employment. This distinction is based on the proportion of graduates from undergraduate courses who secure full-time employment, measured as a percentage of those available for full-time work. This ranking highlights the university's effectiveness in preparing its students for successful careers and underscores its commitment to delivering high-quality education and support services that align with the needs of the job market. Furthermore, this achievement demonstrates the endless opportunities available to international students who choose to study, work, and live in the Territory, showcasing the region as an ideal destination for pursuing higher education and building a prosperous future.

By highlighting the significant contributions of international students, we recognise their role in promoting cultural diversity, economic vitality, and social cohesion within the Northern Territory. Their engagement and commitment to our community are indispensable to the ongoing development and prosperity of our region.

Case Study

There are a few examples that highlight the strong connections CDU international students have with the community, the Territory Government, and local industry:

- **Education Placements:** Around 13% of CDU's international students study education in Darwin and are placed in NT schools. As full-time students, they graduate quickly and move into jobs sooner. They benefit from regional support and accelerated placement programs, gaining diverse experience. These graduates work in both urban and regional schools, including Katherine High School, a region that often struggles to fill teaching positions.
- **Internships and Graduate Programs:** CDU partners with Power and Water Corporation for internships and a pilot graduate program. We also collaborate with major industries to offer internships. While open to all students, many of these opportunities are filled by international students due to limited local participation. These graduates often step into key roles in Engineering and Information Technology that would otherwise go unfilled.
- **Medical Laboratory Sciences:** The diagnostic lab at Royal Darwin Hospital is predominantly staffed by CDU graduates from the Medical Laboratory Sciences program, many of whom are international students. Their contributions are vital to the hospital's operations.
- **Social Work and Child Protection:** The Department of Territory Families, Housing, and Communities requires numerous Social Workers and Child Protection Officers. A significant number of these positions are filled by current international students from CDU, demonstrating their crucial role in addressing community needs.
- **Health Placements:** Recently, the CDU Faculty of Health supported two international students in commencing placements in Tennant Creek. This exemplifies how international students and

graduates often undertake roles that are not typically occupied by domestic students, thereby contributing significantly to healthcare services in remote areas.

International students are essential to the economy of the Territory.

The NT has a small and volatile population base, with students comprising 40% of our net overseas migration. Our population base is limited, and figures reveal the net interstate migration figure is only marginally higher than that of the overseas component.



Source: <https://nteconomy.nt.gov.au/population#key>
<https://www.aspistrategist.org.au/migration-vital-for-northern-australia-and-national-security>

In recognition of the volatility and variability of population growth in the Northern Territory (NT), the NT Government developed a Population Growth Strategy. Population growth in the NT is of national strategic importance, with students constituting around 40% of Net Overseas Migration (NOM) in the region. However, CDU demographers estimate that a lower trend in international student numbers and national intake will lead to population decline in the NT. This anticipated decline is particularly concerning given the already small and volatile population base in the NT.

Additionally, data indicates that people are leaving the Territory, creating a gap that only international migration can fill. The NT has been experiencing an outflow of residents to other parts of Australia, exacerbating the need for a robust international migration strategy to maintain and grow its population. Without this influx, the NT faces a significant risk of population decline, impacting its economic and social vitality.

The NT relies heavily on our education and tourism industries and these go hand in hand. Education is delivered to the students; the students deliver services to the community thereby boosting our tourism industry and creating critical injection to the economy.

This unique context establishes a social license in the NT where the community at-large recognise:

- whilst studying, students are essential members of the Territory's workforce, especially in the tourism and hospitality industries;
- the retention of students within the NT once qualified, allows industry to fill identified shortages in critical areas such as healthcare and education;
- during study and beyond, students are active and engaged members of Darwin's thriving multicultural society, advocating for and showcasing our community to their friends and families worldwide.

International students' economic contribution and their genuine connection to Australia is well recognised as a great Australian 'export' success story. In 2022, Deloitte had determined the education and training sector was worth \$165 million in estimated export revenue to the NT, accounting for 35% of the NT's international trade in services. The report estimated each international student's annual value-add per enrolment to be \$26,400 (on top of tuition).

The Northern Territory Government's economic growth projections are ambitious, aiming to boost the region's economy significantly over the coming years. To achieve these targets, a robust and sustainable workforce is essential, which necessitates a substantial increase in international migration. The current and projected shortfall in local labor due to internal migration trends means that international migration will play a crucial role in filling vital positions across various sectors. This influx of international talent is not only essential for meeting immediate workforce demands but also for fostering long-term economic stability and growth in the NT. By attracting skilled people through international migration, the NT can ensure that its economic growth projections are met, supporting continued development and prosperity in the region.

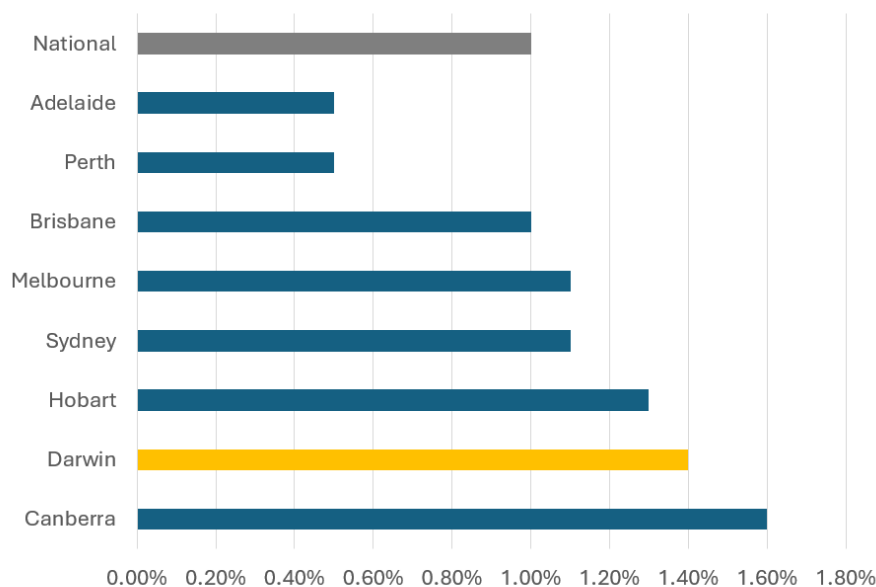
International students not only contribute significantly to the local economy but also play a vital role in sustaining community growth and diversity. A decrease in international migration could worsen existing demographic challenges and impede long-term regional development.

Housing availability with room for growth.

Accommodation for domestic and international students at CDU is given significant attention. Unlike some major cities where housing can be a pressing concern, CDU has implemented measures to ensure that international students have access to secure, comfortable, and well-maintained living arrangements.

Darwin's rental market has distinct characteristics influenced by its geographical location, economic factors, and transient population. The market typically experiences fluctuations in rental prices and availability, with a moderate level of competition for housing, particularly in peak periods such as the beginning of the calendar year or during major local events.

March 2024 rental vacancy rate



International students at CDU generally do not significantly impact the broader rental market in Darwin. The university offers a variety of housing options:

- 740 student beds in the region:
 - International House Darwin (located on Casuarina Campus),
 - A facility managed by UniLodge,
 - Accommodation available on site at both the Katherine and Alice Springs campuses.
- CDU also offer accommodation through the HomeStays and StudyStays programs.
- 30 single rooms at a newly refurbished establishment in Darwin City.
- CDU have recently announced plans of the development of 350 beds in a parcel of land located directly behind the new Danala | Education Community Precinct.

In 2026, the projected ratio of CDU purpose-built student accommodation beds in Darwin to CDU international students will be a ratio of 1 bed: 6 students.

Overall, while international students do contribute to the rental market in Darwin, their impact is mitigated by dedicated housing options, university support, and the presence of purpose-built student accommodation, ensuring that their needs do not unduly strain the local rental market.

The loan required to finance the new CDU city campus was predicated on growth.

The growth of international education across Australia in 2023 precipitated an intervention from December 2023 of a series of migration policy levers, which have drastically impacted the flow of international students commencing at CDU. This has a compounding impact on the future pipeline of students and has negatively impacted our financial viability.

In alignment with CDU's positive international student recruitment trajectory, financial investment upwards of \$250 million has been made by the University and Australian Governments into the Danala | Education Community Precinct (ECP), a new campus in the heart of Darwin City. This includes a \$100 million grant from the Commonwealth Infrastructure portfolio, and a \$125 million NAIF loan. The modelling for the NAIF loan was underpinned by CDU's ability to attract and retain international student numbers at levels much higher than our average pre-COVID average.

The changes to visa processing from December 2023 have already impacted individual providers and so the approach to managing the system in the Framework is now a corrective process.

Recent amendments are currently impacting CDU's revenue. The needs-based funding proposed by the Accord is not expected to be implemented until 2026 - making operations even more challenging for small providers in the meantime. The University also notes that these measures are already restricting international education a year before any funding reforms under the Universities Accord are in place.

Impact of the Migration Strategy on Regional Institutions.

The Migration Strategy released in December 2023 has disproportionately affected institutions in regional locations due to several factors. These include:

- **Higher Visa Refusals** - Significantly higher visa refusals from markets that typically prefer regional locations, such as students from South Asia.
- **Lower TGV Age Limit** - The reduction of the Temporary Graduate Visa (TGV) age limit to under 35, which impacts mature-age students who are often more inclined to choose regional locations for their affordability and family-friendly environment.

- **Risk Index and Visa turnaround time** - Increased visa refusals have affected Risk Index levels, subsequently impacting Visa turn around time and inadvertently encouraging students to apply to EL1 institutions, which are typically metro-based.
- **Increased Financial Requirements** - The rise in financial capacity evidence (now \$29,720) has primarily affected price-sensitive students, who are more likely to apply to regional rather than metro locations.
- **Higher Visa Application Fees** - The hike in the Student Visa application fee has also impacted price-sensitive students and those from regions with currently low visa grant rates, further steering them towards EL1 institutions for a perceived higher chance of visa approval. This creates a 'triple threat' against regional locations and is likely to show a significant impact.

These combined factors create a challenging environment for regional institutions, potentially leading to a significant impact on their enrolment numbers and overall sustainability

Maintaining a Robust Student Pipeline.

Ensuring a strong pipeline of students is crucial for sustaining the region's workforce and economic growth.

Students who choose to study in the Territory are significantly more likely to remain in the region to work after completing their studies. However, if the pipeline of applications to study in the NT is severely impacted by the aforementioned factors, the effectiveness of any post-study incentives will be diminished. Without a steady stream of students already in the NT, there will be fewer individuals to encourage to stay and work locally.

Additionally, a significant reduction in Net Overseas Migration (NOM) will intensify the competition for graduating students. With fewer international students living and studying in the NT, attracting graduates from other states will become more challenging. The absence of a robust local student pipeline will hinder efforts to retain talent in the NT and may lead to a greater reliance on interstate recruitment, which is often less effective and more costly.

CDU Recommendations to Support Strong and Sustainable Regions.

CDU acknowledges the Commonwealth's overarching objective to moderate net overseas migration. However, visa restrictions are already severely impacting the University, resulting in a disproportionate disadvantage for regional and remote areas of Australia.

While the University did not oppose the introduction of international student caps, we are now contending with the resulting consequences of the implementation of several policy levers in quick succession. While CDU understands the rationale behind the implementation of caps, the present situation is damaging Australia's reputation of international education and making it difficult for providers to plan. It is imperative that such policies consider the unique circumstances and needs of different regions. A standardised approach is insufficient and could exacerbate existing disparities.

The critical point, therefore, is that these limits should not adopt a one-size-fits-all approach. They must be coordinated, analysed, and allocated based on the unique characteristics of each educational institution, region, and demographic composition. We advocate for a more nuanced framework that allows for flexibility and adaptability, ensuring that regional and remote institutions like CDU can continue to thrive and fulfill their vital roles in the community.

The following recommendations provide solutions for strengthening the pipeline of international student applicants. These are:

1. Support Existing Strong Markets:

- a. Implement a specific Student Visa subclass for remote locations. Against this new subclass we would ask the Department of Home Affairs (DHA) to reevaluate the financial capacity evidence requirements in light of the abundant work opportunities in the NT, including casual jobs while studying and post-graduation work opportunities. This adjustment addresses a major reason for Student Visa denials from South Asia.
- b. Prioritise Student Visa processing times for based on the remoteness of location. The higher the remoteness, the quicker the application should be processed.
- c. Maintain the Student Visa application fee at a lower rate of \$710 for remote locations, compared to \$1,000 for regional and \$1,600 for metro areas.
- d. Extend the TGV eligibility to up to 45 years old for remote (and regional) locations for all students, not just those in research. This age group is significant as students bringing families are more likely to stay long-term, thus encouraging more students with families to settle in this region.

2. Allow Onshore Applications for Remote Locations:

- a. Permit holders of Visitor (subclass 600) and Post Study Work Visa (subclass 485) visas to apply for a Student Visa onshore if they are in remote locations.

3. Establish a Category 4 Classification.

- a. It is recommended government establish a Category 4 for combined outer regional, remote, and very remote regions based on the Accessibility/Remoteness Index of Australia (ARIA+) classification. Government has recognised that the current geographical categories are problematic throughout this review. Grouping all areas outside the capital cities into Category 3 regions has proven ineffective and increases disadvantage amongst the outer regions and very remote areas that are represented across the Territory.
- b. This new Category 4 would include Darwin (outer regional), Litchfield and Alice Springs (remote), and all other very remote areas.

4. Revise Evidence Level (EL) Requirements:

- a. Remove the Evidence Level (EL) requirement for institutions in remote locations. With a different approach to assessing Student Visas and specialised turnaround times, ELs would no longer be relevant or disadvantageous to remote institutions.

5. Free School Fees for Dependents:

- a. Offer free school fees for dependents of Student Visa holders in remote locations and provide discounts for those in regional locations. Attracting families to the NT, particularly when countries like the United Kingdom are discouraging families by not allowing dependent visas, will draw a cohort of international students more likely to integrate into the community and stay long-term.

6. Increase Working Hours for Student Visa Holders:

- a. Raise the allowable working hours under the Student Visa to 30 hours per week for those based within regional and remote localities. This change could spur immediate interest, though it may require medium to long-term implementation to ensure academic integrity. Institutions like CDU could implement safeguards and offer a robust Summer Semester, allowing students to distribute their studies over three semesters per year instead of two.
- b. This would enable students to balance work and study better, increasing their earning capacity and reducing financial stress. Given the limited employment opportunities during the NT's wet season, increasing working hours year-round, rather than just during the semester break, makes particular sense for the region.

7. Improve Institutional Retention.

Data indicates that students studying in the Territory are more likely to remain and work here. We can enhance retention through the following recommendations:

- a. Extend the requirement for international students to remain with their institution from 6 months to 12 months, applying this policy across all of Australia, not just in remote or regional areas.
- b. Students with a visa subclass designated for remote or regional locations, who seek to transfer, must either move to another remote or regional institution or apply for a new Student Visa from offshore.
- c. Provide support for dependent visa applications in remote or regional locations, ensuring dependents of international students remain in these areas.