



PLANNING FOR AUSTRALIA'S FUTURE

GOLD COAST REGIONAL CLASSIFICATION BUSINESS CASE

Prepared by Study Gold Coast
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EXECUTIVE SUMMARY

The Gold Coast has invested heavily over the last decade to encourage the international education sector to flourish and in turn diversify the city's economy. This has been a successful process and has been led by Study Gold Coast which is funded by the City of Gold Coast, Queensland State Government, universities, TAFE Queensland and members.

The intention by the Federal Government to encourage international students to choose smaller cities and regional centres to study, live and work thus relieving some of the population pressures facing Sydney and Melbourne is appropriate and supported. However, the classification of the Gold Coast as a non-regional city is not justified and will considerably disadvantage a city that has invested heavily to attract international students as a critical element of its strategy to diversify its economy. <https://www.pmc.gov.au/sites/default/files/publications/planning-for-australias-future-population.pdf>

This Business Case defines why the Gold Coast should not be treated the same as Melbourne, Sydney and Brisbane when it is not a capital city and cities such as Adelaide are classified as regional. It also highlights that the Gold Coast's population growth is well within State projections and is not experiencing the growing pains which are the catalyst for the policy intent. On the back of Commonwealth Games investment and well-considered city building infrastructure such as light rail, the city is well positioned to absorb future population growth.

This proposed policy position will negatively impact the Gold Coast's international education sector and in turn risks a net loss of students choosing to study in Australia. It is this consequence that should be avoided, and it is the intended outcome of this Business Case that the Gold Coast be classified as regional for the purposes of this policy. This would have no net effect on the policy intent of international students being less attracted to Sydney and Melbourne whilst enabling infrastructure investment and growth on the Gold Coast to continue.

To resolve this policy anomaly, Study Gold Coast is seeking a concession to the regional status for the Temporary Graduate visa (subclass 485) for three years, to be reviewed annually.

KEY MESSAGES

- Attracting international students to the Gold Coast is a critical element of the state and City's economy.
- Current population growth is well within projected estimates.
- The City has infrastructure, CRICOS and accommodation capacity to absorb more international students.
- The Gold Coast is not a capital city and does not have a G8 university like the other capital cities.
- Policy only applies to those graduating with a higher education or postgraduate qualifications. Thus, the number of those on the Gold Coast is already far smaller than other cities due to the profile of the student mix on the Gold Coast.
- According to the QS Best Student Cities 2019 results, the Gold Coast is ranked the 84th best city to study abroad in the world, whilst Melbourne is 3rd, Sydney is 9th, Brisbane is 22nd, Canberra is 23rd, Adelaide is 26th and Perth is 41st.

CLASSIFICATION COMPARISONS

- Adelaide and Canberra are capital cities, and both have a G8 university but are included as regional.
- Geelong experienced faster growth in 2018 and is closer to Melbourne than Gold Coast is to Brisbane but is included as regional.



1. INTRODUCTION

The Minister for Immigration, Citizenship, Migrant Services and Multicultural Affairs, The Hon David Coleman MP, suggested that Study Gold Coast submit a Business Case on the effects of the recently introduced raft of policies to address infrastructure challenges, including classifying Gold Coast City as a non-regional location with associated direct and indirect impacts on international education in the city.

2. BACKGROUND

Study Gold Coast is funded by the City of Gold Coast and its members. Study Gold Coast is the Trading Name of the Gold Coast Education and Training Network. It was incorporated in 1993. The establishment and ongoing funding reflect a long term and sustained commitment to the development of the education sector including international education as a key part of the city's economic development and diversification strategy.

3. POLICY APPRECIATION

Study Gold Coast understands and is supportive of the objectives of the new policies to:

- Reduce infrastructure pressures on Melbourne and Sydney, and
- Redirect overseas sourced immigration population towards regional areas.

Classifying the Gold Coast as non-regional will adversely affect the city's education sector. It is assumed that this is an unintended consequence and that in the classification of the Gold Coast as a non-regional location, there was no intent to adversely affect the city's economic development, investment and economic diversification strategies.

The major driver for the policies appears to be the unprecedented growth and infrastructure challenges in Melbourne and Sydney. The Federal Minister for Cities, Urban Infrastructure and Population, Mr Alan Tudge, noted that "a combination of reducing the immigration intake, new regional visas and encouraging students to study at regional universities will take some pressure off Sydney and Melbourne."

Further, Minister Tudge tweeted "Not only are we easing off on the migration rate overall, but we are providing 23,000 geographically restricted visas anywhere outside the big capitals." It is not clear why the Gold Coast has been included with Sydney and Melbourne.

Study Gold Coast understands and supports the policy intent because there is an issue to be addressed in Melbourne and Sydney with high absolute population growth, the predominance of international students and recognised infrastructure challenges and focus.

"A combination of reducing the immigration intake, new regional visas and encouraging students to study at regional universities will take some pressure off Sydney and Melbourne." - **MINISTER TUDGE**

4. STUDY GOLD COAST POSITION

The Gold Coast does not agree with the application of the policy to the extent of the inclusion of the Gold Coast in the same class as Melbourne, Sydney and Brisbane as a non-regional centre in respect of the Temporary Graduate visa (subclass 485) and international education matters. The unintended consequence is expected to be an adverse impact on the Gold Coast's education sector.

For the purposes of this Business Case Study Gold Coast has focussed on the international education aspects of the policy. The fact that the Gold Coast is or is not included as regional in other Skilled Migration programs is irrelevant and misses the point that the international education sector is a clear focus of the Gold Coast City's economic development and diversification strategies. These strategies are being placed at risk by the application of the policy to the Gold Coast, particularly as the application appears to be based on misinformation regarding the nature of the Gold Coast; the fundamental differences with Sydney, Melbourne and Brisbane; the population based infrastructure pressures; and the core role of international education in the city's economic development.

In summary, the inclusion of Gold Coast City as a non-regional centre can only have resulted from a broad-brush approach and without consideration of the unintended consequences of the application of the policy to Gold Coast City. To resolve this, the Gold Coast is seeking a concession to regional status of the Temporary Graduate visa (subclass 485) for three years, to be reviewed annually.

5. RATIONALE FOR THE STUDY GOLD COAST POSITION

At the most fundamental level the misconception in the application of the policy is to equate geographic classifications about other skilled migration classes with those for international education. A proper and detailed understanding of the Gold Coast and the role of international education would not have reached the geographic classifications now proposed. The key points in a considered assessment are:

5.1 CAPITAL CITY STATUS

The Gold Coast is not a capital city and as such does not enjoy many of the inherent advantages of being a capital city. The Australian Bureau of Statistics and a wide range of geographic classification systems do not classify the Gold Coast as a capital city or major metropolitan area.

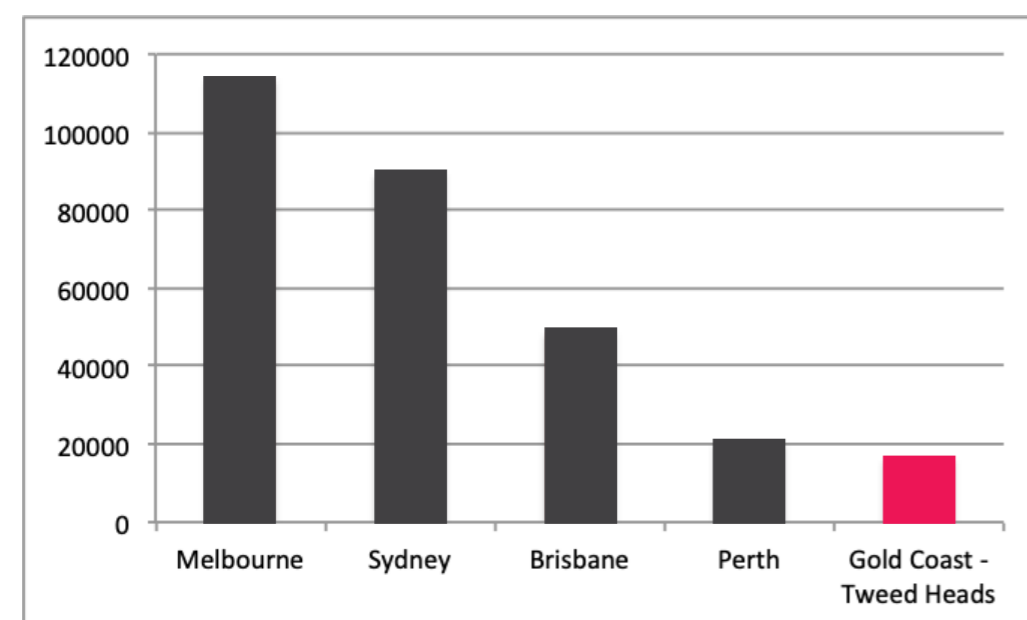
Furthermore, the Gold Coast does not have a G8 university as Canberra and Adelaide do and does not enjoy the resultant brand and marketing allocation that comes with that status. As such it is clearly inconsistent for the Gold Coast to be bundled with Sydney, Melbourne and Brisbane.

5.2 RECENT GOLD COAST POPULATION GROWTH IS NORMAL

Unlike Melbourne and Sydney, the recent growth of the Gold Coast is within expected population projections. The Gold Coast has had only one tenth (1/10) of the recent population growth of both Melbourne and Sydney. The Gold Coast population increase from 2017 to 2018 at 15,633 was only marginally greater than the long term annual average 2002 to 2018 (13,359).

The population increase in Melbourne in 2018 was nearly seven times greater than that of Gold Coast Tweed; that of Sydney more than five times greater and Brisbane nearly three times greater, as shown in the following chart.

FIGURE 1: ESTIMATED RESIDENT POPULATION GROWTH, 2018, SIGNIFICANT URBAN AREA



Source: ABS Estimated Resident Population, Significant Urban Areas, Australia

The average annual population increase for Gold Coast City from 2016 to 2018 of 15,048 is in line with the projected growth (Medium Series Queensland Government population projections, 2018) for the annual increases for the period 2016 to 2021 of 14,900: it is not unexpected, nor is it unusual. Furthermore, the growth rate of Gold Coast City (classified as non-regional) in 2018 was 2.6%, less than the 2.8% in Sunshine Coast and Geelong 2.7% (both classified as regional).

5.3 DIFFERENT SOURCES OF POPULATION GROWTH

Unlike Melbourne and Sydney, international migration plays a relatively very small role in population growth for the Gold Coast as net domestic migration is the most important component. Sydney consistently loses net internal migrants; Melbourne largely remains neutral and Gold Coast gains significantly.

The reasons for recent significant population growth in Melbourne and Sydney do not apply to the Gold Coast, so the Gold Coast is paying the international education price of the geographic classification system that appears ill-advised. To the extent that international migration contributes, New Zealand is most important and is not subject to geographic based migration conditions. In the five years to 2016, proportionally Gold Coast had about one third of the recent migrants to Sydney and one half of those in Melbourne.

Unlike Melbourne and Sydney, migrants from China and India (the main sources of recent migration to Australia) tend not to settle in Gold Coast City. The 2016 Census shows the stark differences as indicated in the period 2012 to 2016, where both Melbourne and Sydney had over 100,000 migrants from China and India, but Gold Coast had 4,057.

TABLE 1: COUNTRY OF BIRTH AT 2016 CENSUS, BY YEAR OF ARRIVAL 2012 TO 2016

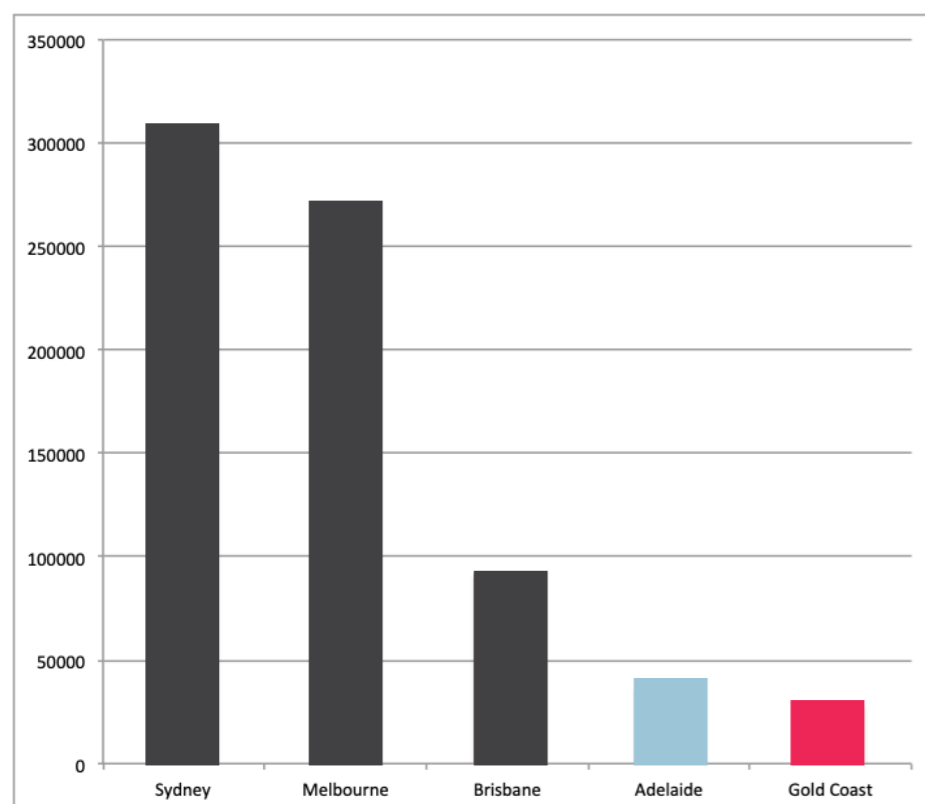
LOCATION	CHINA	INDIA	NEW ZEALAND
GREATER MELBOURNE	57,419	50,071	16,687
GREATER SYDNEY	60,655	41,772	11,301
GOLD COAST CITY	2,735	1,322	5,771

*Source. ABS Census 2016

5.4 SMALL SHARE OF INTERNATIONAL STUDENTS

The Gold Coast had 4% of the national market of international students in 2018. Sydney had nearly 11 times as many international students as Gold Coast, Melbourne nearly 10 times and Brisbane, more than 3 times the number of students in 2018.

FIGURE 2: INTERNATIONAL STUDENT ENROLMENTS, 2018



Source: ABS Estimated Resident Population, Significant Urban Areas, Australia

5.5 ENROLMENT DURATION

The number of international students is only one dimension of the demand issue. Of equal importance is the composition, as typically an enrolment in Higher Education averages about 2 years attendance, but an ELICOS enrolment is about 13 weeks. Compared with Melbourne and Sydney, Gold Coast has proportionally more shorter-stay ELICOS and VET enrolments (59.0%, compared with 42.3% for Melbourne and 50.2% for Sydney) and proportionally fewer longer staying Higher Education students (28.6% compared with 49.1% for Melbourne and 42.1% for Sydney), and hence infrastructure demands would be less on a per student basis.

Similarly, Adelaide had nearly 10,000 enrolments more than Gold Coast in 2018 of which 56.0% were long staying Higher Education and Schools students compared with Gold Coast with 33.2% long staying Higher Education and Schools students. Despite having more students and longer staying students, Adelaide is classified as regional and Gold Coast is classified as non-regional.

TABLE 2: STUDENT TYPE BY LOCATION, ENROLMENTS 2018

LOCATION	HIGHER ED	VET	ELICOS	NON AWARD	SCHOOLS	TOTAL
MELBOURNE	49.7%	27.1%	15.2%	4.8%	3.3%	100.0%
SYDNEY	42.1%	32.4%	17.7%	5.7%	2.0%	100.0%
BRISBANE	41.2%	27.7%	22.9%	5.7%	2.5%	100.0%
GOLD COAST	28.6%	33.4%	25.6%	7.8%	4.6%	100.0%
IMPACT	Fewer longer stay students	Slightly more shorter stay students	More shorter stay students	More shorter stay, often one semester		

Source: Department of Education. International student enrolments by Australian Statistical Geography Standard (ASGS) SA4 region

5.6 OTHER INFRASTRUCTURE DEMAND GENERATORS

Tourism is a major industry for the Gold Coast, and the city attracts about 13 million visitors per year, comprising 1.027m international visitors, 4.002m domestic visitors and 8.045m day trip visitors, equivalent to nearly 70,000 additional people per day/night each generating infrastructure needs as well as benefits. By way of comparison and in an attempt to identify population driven infrastructure demands as the reason for the classification of Gold Coast as non-regional, would consideration be given to restricting international and domestic tourists visiting the Gold Coast in the same way it has with the new visas for international students?

This comparison highlights the concern for the basis of the Commonwealth's proposed classification of the Gold Coast as non-regional for the purposes of this program.

5.7 INFRASTRUCTURE

International students studying in Gold Coast City typically live close to their educational facilities and do not travel on the M1 to study. To further encourage this, students are able to travel on the Gold Coast Light Rail system at half price. Gold Coast planning for infrastructure has catered for average annual increases of 13,359 since 2002 and recent growth and the associated planning is geared to meeting this level of need.

The Gold Coast benefited by infrastructure investment associated with the Commonwealth Games. The City of Gold Coast, Local Government Infrastructure Plan is based on the Queensland Government Population Projections and these projections show the Gold Coast recent growth is in close alignment.



5.8 THE GOLD COAST GEOGRAPHIC CLASSIFICATION PENALISES INITIATIVE

The number of international students in Gold Coast City reflects a long-term investment in developing the sector and a key pillar of economic diversification. City of Gold Coast and the members of Study Gold Coast annually invest \$3.7million in Study Gold Coast to promote the development of the education sector, primarily international education, far more than any other local council in Australia. This budget is further supplemented by the marketing budgets of the city's universities and providers.

A comparison of 2018 enrolments in other regional centres with universities in relatively close proximity to major capital cities such as Geelong (4,516), Wollongong (8,809), Newcastle (6,145) and Sunshine Coast (3,845) have significantly fewer international students than the Gold Coast (28,423).

This growth has not occurred by accident and is now in danger of being penalised by this proposed policy. Other regions that were not future focused and did not invest in developing education are being rewarded and those that did, such as Gold Coast City are penalised: it cannot be a sound public policy response to achieve efficient allocation of national resources.

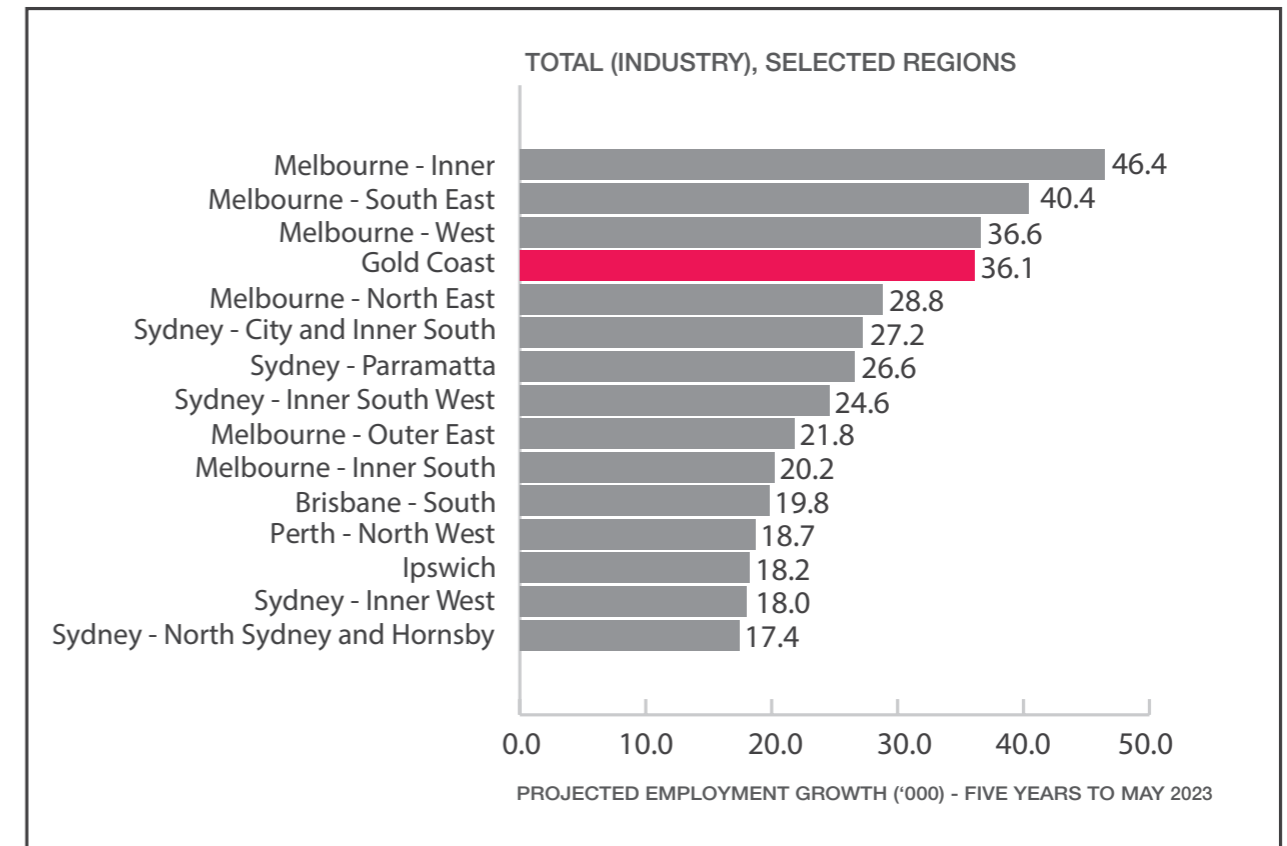
Furthermore, Gold Coast education providers have CRICOS capacity to absorb more international students and would welcome the opportunity to do so. This may not be the case in other regional centres.

City of Gold Coast and the members of Study Gold Coast annually invest \$3.7million in Study Gold Coast to promote the development of the education sector, primarily international education, far more than any other local council in Australia.

5.9 MEETING SKILLS SHORTAGES

The Department of Employment projects very strong employment growth in the Gold Coast region, ensuring the area has employment opportunities for international graduates. The same cannot be said for many other regions. Other indicators of job opportunities are the low unemployment rate and high labour force participation.

FIGURE 3: INDUSTRY GROWTH BY REGION, 2018



Source: <http://lmip.gov.au/default.aspx?LMIP/Gaininsights/EmploymentProjections>

5.10 THE PROPOSED GEOGRAPHIC CLASSIFICATION POLICY IS INCONSISTENT

A number of inconsistencies exist within Commonwealth geographical classification systems when applied to a number of programs. There are major regional cities with faster or comparable growth to that of Gold Coast City that are classified regional such as Sunshine Coast, Geelong, Wollongong and Newcastle. There are cities with more international students than Gold Coast City that are classified as regional and major regional cities closer to their capital cities than Gold Coast that are also classified as regional such as Geelong. This requires further investigation to understand the rationale for the Gold Coast's classification.

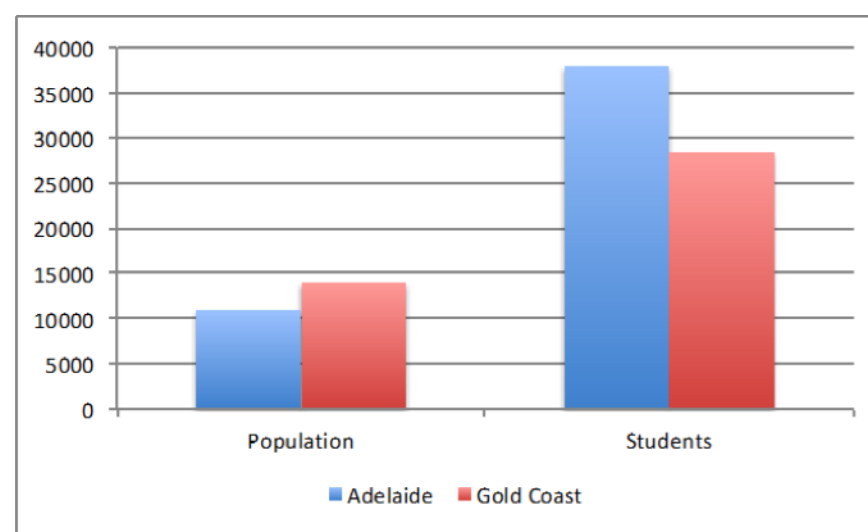
TABLE 3: ESTIMATED RESIDENT POPULATION, SIGNIFICANT URBAN AREAS

URBAN AREA	POPULATION, 2018	POPULATION INCREASE, 2017-2018	PERCENTAGE INCREASE, 2017-2018	COMMENT
ADELAIDE	1,326,958	8,551	0.8	A capital city with nearly twice the population
GOLD COAST/ TWEED	679,127	16,592	2.5	Raises issue of how Tweed will be treated
SUNSHINE COAST	333,436	8,401	2.6	Large population with faster growth rate
GEELONG	268,277	7,092	2.7	Large population with a faster growth rate

Source: ABS. Estimated Resident Population, Significant Urban Areas, 2019

Adelaide and Gold Coast average annual population growth 2014-15 to 2017-18 and international student enrolments 2018 are shown below. The Gold Coast population increase averaged 3,114 more per year but Adelaide had 9,499 more international student enrolments in 2018. However, for the International Education Visa purposes, Adelaide is considered regional and Gold Coast is considered non-regional.

FIGURE 4: POPULATION INCREASE V STUDENT ENROLMENT COMPARISON, ADELAIDE AND GOLD COAST



Source: ABS Regional Population estimates for population. Department of Education for student enrolments.

As a further example, Geelong and Sunshine Coast had faster population growth rates in 2017-2018 than the Gold Coast. Those cities are classified as regional and the Gold Coast is not.

The proposed classification system is not consistent with any number of ABS geographic classifications nor is it consistent with the Regional Australia Institute geographic classifications.

5.11 POLICY SENDS THE WRONG MESSAGES

The application of the policy to the Gold Coast sends incorrect and unintended messages to the market. In effect the Gold Coast is penalised for identifying the opportunity and planning, investing and growing the international education sector to a far greater extent than any other region. Those regions that have not taken the initiative or investment in growing international education are rewarded by preferential treatment.

5.12 POLICY RISKS A LOSE-LOSE OUTCOME FOR GOLD COAST AND AUSTRALIA

International education operates in a fiercely competitive market. Studies commissioned by Study Gold Coast, show that students have many choices and the attractiveness of the Gold Coast as a destination has been shown as a vital consideration in students' decisions as to where to study. According to the QS Best Student Cities 2019 results, the Gold Coast is ranked number 84 in the world as the best city to study abroad. (<https://topuniversities.com/city-rankings/2019>)

If eligible students are not permitted to study or undertake post-graduate work in Gold Coast City as a result of the Government's classification system, there is a risk that they will choose other countries. The potential outcome of the policy is a certain loss to Gold Coast City, and a possible loss to Australia. The policy objective of a distributional effect only from overcrowded areas to less crowded areas runs the risk of a net loss to Australia as well.

6. A WAY FORWARD

There is fundamental agreement with the intent of this policy and its application to major capital cities. However, the application of the same geographic classifications for Skilled Migrant programs to the Gold Coast education sector reflects a significant misunderstanding.

An equitable policy outcome would ensure the Gold Coast is not disadvantaged relative to other regions and Australia does not risk losing international students who might have otherwise stayed in Gold Coast City. If the policy were to remain unchanged it could result in poor outcomes for the Federal Government, the Queensland Government and the Gold Coast. The education sector worldwide is very competitive.

The appropriate reclassification of the Gold Coast as a regional centre for the Temporary Graduate visa (subclass 485) would be beneficial to Australian international student numbers and be supportive of Queensland and the Gold Coast's education sector ambitions.

Accordingly, it is strongly recommended that for the purposes of the international student visa system that a concession be provided to the Gold Coast over three years to be reviewed annually.

Thank you for your consideration.

REFERENCES AND SOURCES

- ABS Regional Population Estimates
- ABS Estimated Resident Population, Significant Urban Areas
- ABS Australian Statistical Geography Standard
- Department of Employment Labour Market Information Portal, Projections
- Department of Education. International student enrolments by Australian Statistical Geography Standard (ASGS) SA4 region
- Regional Australia Institute

