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Go8 Submission to the Foreign Policy White Paper

The Group of Eight (Go8) supports the development of a comprehensive engagement framework recognising the key pillars that will underpin Australia's international engagement and promote our role within a broader, global context. We welcome the opportunity to contribute to this process and look forward to being actively involved in further consultations and conversations.

Please note this submission represents the views of the Go8 network. Member universities may also make their own, more detailed submissions.

The Go8 represents Australia's eight leading, research intensive universities. As a collective we:¹

- Are consistently the highest ranked Australian universities across the major international ranking systems (ARWU, THES and QS);
- Had 99% of our research ranked as world class or above in ERA 2015;
- Educated one in three international students who chose to come to Australia to study higher education in 2015;
- Spend around \$6 billion per year on research, and receive over 60% of NHMRC competitive funding grants;
- Have educated 79% of the Australian-education CEOs of the nation's top countries; and
- Have educated 83% of Australia's ambassadors and high commissioners.

As such, the Go8 plays a multifaceted and significant role in Australia's international relationships and international standing, through our role in educating students who come to Australia to pursue higher education studies; our strong research collaborations with key international organisations; and our membership of key global groups, such as the Global Research Intensive Universities network, which have the

¹ See the Go8 *Facts of Distinction*: https://www.go8.edu.au/sites/default/files/docs/page/go8_pocket_brochure.pdf

potential to provide a strong voice to inform policy perspectives internationally. These are explored further below, along with their contribution to the specific questions raised in the *Call for Public Submissions* paper.

Summary and Recommendations

International engagement has become a fundamental hallmark of a successful, 21st century economy. It is no longer possible to operate according to isolationist policies, but essential that we take our place as an engaged, innovative partner both within the Indo-Pacific region and across the world.

Higher education and research are critical components of that engagement. Students from as far afield as India, China, Africa and Latin America seek to be educated in Australia. Our alumni are to be found in companies and businesses across the globe. And our academics and researchers actively engage with international partners to find solutions to the issues that will increasingly impact and affect us all, such as the rise of terrorism, changing climate patterns, global movement of disease, and food and water security.

Now is the time to seize the opportunity presented by the changing political environments in both of our primary competitors, the US and UK. If we are to continue to take its rightful place as a competitive, innovative, stable economy into the future it is critical that this vital sector be supported. Therefore, the Go8 recommends the following:

- **That the Australian government explicitly recognise the fundamental importance of Australia's research efforts as a pillar of Australia's international engagement. (Q3, Q4, Q5, Q6)**
- **That the Australian government prioritise support for strategically important international research partnerships and for commercialisation of Australian research discoveries in the global marketplace. (Q4, Q5, Q6)**
- **That the Australian government consider expanding the scope of the New Colombo Plan to include postgraduate coursework students. (Q2, Q4, Q5)**
- **That policy settings are adjusted to encourage the best talent in our region to study, work and undertake research at Australian universities. (Q2, Q4, Q5)**
- **That foreign policy decisions taken by government must take into account possible risks to the international operations of the higher education sector, acknowledging its important contribution to Australia's economic stability and prosperity. (Q4)**
- **That the Australian government consider creating targeted national scholarship scheme for emerging Asia Pacific nations. (Q3, Q5)**
- **That the Australian government consider expanding existing successful programmes, such as the NCP and Endeavor scholarships, to further enhance Australian students' capacity to develop skills and competencies in Asian languages and cultures. (Q2, Q4, Q5)**
- **That the Australian government enable funding support for Australia to capitalise on our strong research capability, as a mechanism for reinforcing international partnerships, delivering real**



impact to our region, contributing to larger policy conversations and demonstrating our role in the global innovation network. (Q3, Q4, Q5)

Trade

Australia's education export industry is one of the nation's super growth sectors. In a context of fiscal restraint and economic uncertainty, our education sector's export earnings have gone from strength to strength, growing to a record \$21.8 billion in 2016, up 17% on 2015, and supporting more than 130,000 jobs.²

Higher Education plays a primary role in the sector. Latest AEI figures show that higher education enrolments represented around 44% of sector enrolments, outperforming the VET (26%), ELICOS (20%), Schools (3%) and Other (6%) categories (YTD enrolments, October 2016).³

And this doesn't take into account the benefits brought through our international research collaborations, which not only bring economic benefit through commercialisation and technology transfer, but reinforce our reputation as a part of the global innovation framework.

Research and education are intricately connected through our performance in international research rankings. The better Australia performs in the Academic Ranking of World Universities (ARWU), The Times Higher Education World University Rankings and the QS World University Rankings, the larger the pool of potential students who pursue university and research training on Australian shores. **The Australian government must recognise that cuts to research funding not only impact our capacity to conduct research in Australia, they fundamentally undermine our \$21 billion education export industry and our ability to engage with international research partners and in global innovation systems.**

Recommendation: that the Australian government explicitly recognise the fundamental importance of Australia's research efforts as a pillar of Australia's international engagement.

The Go8 welcomes the appointment of Professor Stephanie Fahey, with her strong background in higher education, as the Chief Executive of Austrade. We look forward to working with her and her organisation to strengthen the policy settings necessary to support this super sector, such as prioritizing market access issues in service negotiations, and ensuring adequate funds to support international research collaborations with key regional partners such as China and India. The Go8 will shortly be launching our new publication, *Excellence in India*, which showcases collaborative research projects between Go8 universities and Indian partners which are having real impact on challenges shared by both countries. We look forward to continuing this important work across more nations in the Asia Pacific region, and welcome the support that the Australian government is providing through its National Innovation and Science Agenda (NISA), such as the landing pad programme for Australian start-ups.

² http://trademinister.gov.au/releases/Pages/2017/sc_mr_170202a.aspx

³ AEI Data. Figures given are YTD as at October 2016.



Recommendation: that the Australian government prioritise support for strategically important international research partnerships and for commercialisation of Australian research discoveries in the global marketplace.

Strengthening Australia's education and research industry will support the following areas noted in *Call for Public Submissions* paper:

- Q4: supporting our education and research industries in turn supports Australia's efforts to boost innovation and transition its economy;
- Q5: Strengthening relationships with key regional partners helps Australia to promote a more prosperous and stable region; and
- Q6: Using our assets, including our international research and education connections, to advance our foreign policy interests.

Education

As noted above, the Australian education export industry is critical to the ongoing success of Australia's economy.

An education in Australia brings a range of reciprocal benefits. International students are exposed to much more than just study. They build friendships and relationships, develop new skills and experiences and become involved in local communities through part time work or university placements. Australia's diverse and multicultural society offers them the opportunity to engage with a wide range of perspectives and attitudes, and observe firsthand how people of varying backgrounds and cultures can work together towards common goals. Though some remain in Australia following graduation, many return to their home countries or seek alternative employment opportunities overseas, departing as ambassadors for Australian values and the Australian way of life. This has recently been recognised in the release of *Australia's Global Alumni Engagement Strategy*, a whole of government initiative aimed at leveraging the soft diplomacy potential of this network. The Go8 supports the goal of this strategy and is currently working on a number of initiatives to reconnect with our considerable global alumni community, which includes people in key influential positions such as:

- Andrew Liveris, a graduate of the University of Queensland, Chairman and Chief Executive of the Dow Chemical Company;
- Pr Yiping Huang, graduate of The Australian National University, an independent director at MYbank and China Life Insurance Ltd, and an adviser on the Monetary Policy Committee for the People's Bank of China;
- James Gorman, a graduate of the University of Melbourne, Board Chairman and Chief Executive Officer of Morgan Stanley; and
- Anne Valentine-Andrews, from Monash University, Managing Director and Global Chief Operating Officer of the BlackRock Real Assets Group, the largest assets manager in the world.

However, effective engagement requires more than being a hospitable host. It is equally important that Australia demonstrate an international outlook by encouraging our domestic cohorts to gain international

perspectives and competencies. Mobility exchange programmes, such as the New Colombo Plan (NCP) focused on the Asia Pacific, and Endeavour Scholarships with a more global focus, are an important part of our national international engagement strategy and the Go8 supports the continuation of these programmes. Indeed, the success of the NCP since its commencement in 2014 has provided Australia with a model for regional engagement that could be used to encourage mobility and international scholarship beyond its current undergraduate target. An expansion of the scope to include postgraduate coursework students would allow all Australian students, from undergraduate through to research levels, to access an Asia-Pacific experience through either an NCP or Endeavour scholarship.

Recommendation: that the Australian government consider expanding the scope of the New Colombo Plan to include postgraduate coursework students.

Australia must recognise the significant potential of our international education industry as a major tool of soft diplomacy, both while those students are studying onshore and after they enter the global workforce. Although, as noted above, Australia's education export industry has been recognised as one of the nation's 'super' sectors, we cannot take this success for granted. The competition for international students is fierce and growing, and Australia is not the only alternative destination for students concerned at the uncertainty in the US and UK. In this context, policy settings around issues such as visas for students, visiting academics and researchers and post study work rights become critically important. It is also important to consider any possible impact on the international education sector as part of the standard risk framework when developing foreign policy.

For example, the significant delays in visa processing times experienced in July last year due to the implementation of the Simplified Student Visa Framework (SSVF), including a change to country-based risk assessments, caused significant distress among prospective students. These issues were particularly acute for some high quality prospective students from China and India,⁴ and may have already damaged Australia's reputation as a research destination among China Scholarship Council (CSC) recipients. Such issues create a risk for Australia to be perceived, along with the US and UK, as an unfriendly destination. The Go8 will continue to work with the Australian government on a resolution to these issues.

Recommendation: that policy settings are adjusted to encourage the best talent in our region to study, work and undertake research at Australian universities.

Recommendation: that foreign policy decisions taken by government must take into account possible risks to the international operations of the higher education sector, acknowledging its important contribution to Australia's economic stability and prosperity.

Australia's foreign policy framework also needs to be able to recognise change in our operating environment. The rise of the global middle class, anticipated to increase from 1.8 billion in 2009 to 4.9 billion by 2030, is expected to be driven largely from Asia,⁵ and will inevitably impact relationships in our region. It could be advantageous for Australia to consider targeted national scholarship schemes for near neighbours who are

⁴ "Rocket Scientist Denied Visa over MMD Fears", *The Australian*, 21 July 2016

⁵ http://oecdobserver.org/news/fullstory.php/aid/3681/An_emerging_middle_class.html

emerging from a 'developing' status, to ensure good relationships as they gain a stronger voice. Our relationship with Indonesia, for example, could benefit from such a scheme.

Recommendation: that the Australian government consider creating targeted national scholarship scheme for emerging Asia Pacific nations.

We must also recognise the critical importance of ensuring domestic students are not raised in isolation, but take advantage of opportunities to develop their intercultural competencies and appreciate their role as global citizens. Part of this inevitably involves the development of language skills beyond English. The Australian government should consider how programmes such as the NCP and Endeavour scholarships can be supplemented by instruction in language and cultural competency, to enable our future workforce to move seamlessly across countries in the Asia-Pacific region.

Recommendation: That the Australian government consider expanding existing successful programmes, such as the NCP and Endeavor scholarships, to further enhance Australian students' capacity to develop skills and competencies in Asian languages and cultures.

Recommendations such as these support the following areas noted in *Call for Public Submissions* paper:

- Q2: Australia's Diverse Interests: by deepening relationships with key partners in our region and across the globe, and by utilising our global alumni network with an understanding and appreciation of Australia's values and interests;
- Q4: Grasping Economic Opportunities: As noted above, international education has been identified as one of Australia's super growth sectors. Australia must continue to support this critically important industry;
- Q5: Impacting Strategic, Security and Transnational Challenges: promoting greater understanding across national borders, through education of international students and mobility programmes for domestic students, can help to counter misunderstandings and the deliberate misrepresentation of Australian values and intentions sometimes used by terrorist organisations to recruit followers. A strong education and development of research and analytical skills, as taught by universities, may also prove to be of critical importance in the development, "post-truth" world. ⁶

Research and International Collaborations

The twenty-first century global economy is changing. In Australia, the decline of the mining boom that supported us through the turbulence experienced by many economies during the Global Financial Crisis (GFC) has resulted in the recognition of the need for change. Over the last year, the focus of the Turnbull government has been on transforming the economy from its traditional base into being agile, innovation and technology driven. The National Innovation and Science Agenda (NISA), released in early December 2015, recognises that innovation will likely underpin every sector of the economy, from ICT, to healthcare, to transport and defence.⁷

⁶ <https://en.oxforddictionaries.com/word-of-the-year/word-of-the-year-2016>

⁷ <http://www.innovation.gov.au/page/national-innovation-and-science-agenda-report>

However, Australia is not alone in this intention. Many economies around the world are looking to do the same. Many of these countries have also recognised the importance of research as a fundamental part of the innovation ecosystem, and have put in place measures to ensure its support. In the UK, the Chancellor of the Exchequer has announced a commitment to providing £2 billion more spending per year in R&D funding by 2020-21.⁸ China has announced its intention to position itself as a scientific and technological powerhouse, spending 1.42 trillion yuan on scientific research and experiments in 2015.⁹ And the European Union has been investing in Horizon 2020, the “biggest European Union Research and Innovation programme ever”, providing nearly €80 billion over seven years to ensure Europe’s global competitiveness.¹⁰

This global focus on research and innovation represents a huge opportunity for Australia. Many countries are now actively seeking international research partners, in areas of research priority that also have strong resonance for Australia. Providing support for high quality research institutions, such as the Go8, to engage in these types of collaborations can bring a range of national benefits, including:

- Promoting our profile as a high quality destination for research training;
- Promoting our reputation as a global citizen, using our expertise and knowledge to help address challenges with global impact, such as terrorism, food security and water management;
- Securing our place in international innovation networks, such as the Horizon 2020 programme; and
- Reinforcing our strategic importance within the Asia Pacific region.

The Go8 already has a solid foundation of research partnerships and collaborations on which to build:

- In 2015, there were 24,423 Go8 publications (of all publication types) with an international collaboration. This represents 48% of all Go8 publications and 57% of all Australian publications with an international collaboration;
- Competitive, peer reviewed research income and other research funding from overseas (excluding research student fees) is \$212 million for the Go8, representing 71% of the national total;¹¹ and
- The Go8 also produce exceptional research alumni, who promote Australia and the quality of Australian research training around the globe. Examples include Dr Wolodymyr Melnitchouk (graduate of The University of Adelaide), Senior Theoretical Nuclear Physicist at Jefferson Lab in Virginia; Pr Marc Feldman (graduate of The University of Western Australia), professor of biology at Stanford University and director of the university’s Morrison Institute for Population and Resource Studies, and co-director of the university’s Center for Computational, Evolutionary and Human Genomics; Pr James Dale (graduate of the University of New South Wales), who is leading two major international projects funded by the Bill and Melinda Gates Foundation; and Dr Tom Beer (graduate of The University of

⁸ <http://www.universityworldnews.com/article.php?story=20161124203830744>

⁹ http://english.gov.cn/policies/latest_releases/2016/08/08/content_281475412096102.htm

¹⁰ <https://ec.europa.eu/programmes/horizon2020/en/what-horizon-2020>

¹¹ Taken from HERDC Category 3 income, 2015. Includes sub-categories International A (competitive, peer reviewed research income) and International B (other income).



Sydney), president of the International Union of Geodesy and Geophysics (IUGG), fostering research and collaboration between earth scientists from 68 countries.

The Go8 has built a strong reputation in the international research arena, and has significant global reach through our memberships and networks. We are a member of the Global Network of Research Intensive Universities, a group that includes representation from key research intensive institutions around the world, from the Russell Group in the UK, to the Research Universities Eleven in Japan, the China Nine, the German Universities Fifteen, the Canadian Universities Fifteen, the League of European Research Universities, the Association of East Asian Research Universities and the American Association of Universities. In 2017 the Go8 will be hosting a meeting of this group, in Brisbane in November, in which key global policy positions around research and innovation will be discussed. These networks provide significant reach into the global communities, and have the potential to influence policy development across the globe.

Australia cannot afford to become isolated from the global research and innovation community. Through organisations such as the Go8, Australia can contribute to the development of solutions to global problems that contribute to unrest and instability in the Asia Pacific Region and beyond.

Recommendation: that the Australian government enable funding support for Australia to capitalise on our strong research capability, as a mechanism for reinforcing international partnerships, delivering real impact to our region, contributing to larger policy conversations and demonstrating our role in the global innovation network.

Success in doing so will support the following areas noted in *Call for Public Submissions* paper:

- Q3: Influence through International Organisations: through our strong research reputation and through our many strategic research collaborations, the Go8 contributes to relationship development across the globe, eg., as shown in Engaging India;
- Q4: Grasping Economic Opportunities: supporting our research sector in turn supports Australia's efforts to boost innovation and transition its economy; and
- Q5: Impacting Strategic, Security and Transnational Challenges: promoting Australia's role in the global innovation networks; contributing to the development of solutions to global problems; and working with similar groups to build our reputation and global standing, such as the Global Network of Research Intensive Universities.

The Go8 looks forward to being involved in further consultations about this important strategic area. We would welcome any further opportunities to contribute to this important process.

Kind regards,

Vicki Thomson
Chief Executive