



**GROUP  
OF EIGHT  
AUSTRALIA**

# Priority Directions 2

Three essentials for future economic success



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# Three critical priorities

In today's globally connected international knowledge based economic systems, it is no exaggeration to state that without a strong university sector Australia's economy would wither.

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It is time Australian Governments reconnected with what that means.

As Australia now faces a Federal election, the Go8, representing Australia's leading research-intensive universities, sets out three critical priorities for an incoming Government.

The benefits of support for this direction are wide-ranging and large for the community and the economy. The cost of inaction is high.

## 1. Research

Australia must continue to have world-class research outcomes

The current settings for research deliver a distorted funding model where universities who are research providers have also become research funders. Universities are required to cross-subsidise research to make up for inadequate government funding

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for the indirect costs of publicly funded research as well as increasing calls for co-contribution of direct funding of public research. This

*'Universities have proven they can be relied upon'*

results not only in a distorted funding model but also a lack of transparency of the funding of Australia's strategic research effort.

The Go8 directly supports **more than 50,000** jobs, employing **over 40%** of the sector's **academic and professional staff**

## Three critical priorities

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### 2. International Engagement

International education is Australia's third largest export industry at nearly \$35 billion a year and a key element of Australia's long-term engagement with the region. To enable universities to continue this success in an increasingly competitive marketplace requires the coordinated support of the whole of government. This also includes support for International research engagement which underpins both international education and the globalisation of Australia's research and innovation efforts, such as through EU's upcoming Horizon Europe research initiative and the recently terminated Australian Government's Endeavour Leadership Program.

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### 3. Post-Secondary Education

Australia must have a skilled workforce for our times; Access and Equity; Australia must be prepared for future challenges

Australia needs a post-secondary education system that not only provides the skilled workforce for our times but also is flexible enough to meet future challenges. To achieve these goals the system must be characterised by quality as well as equity of access to an appropriate form of education and training for all who seek it.

The Go8 educates  
**100,000** international students  
from **200** countries

Those students generate  
some **\$17.98 billion** in economic activity  
in Australia each year

# National Context and Executive Summary

Australia's leading research-intensive universities set out the **three main policy steps** essential for **universities to contribute** as the **community** and the **economy** needs them to, the positive results of doing so, and importantly **the damage to Australia if ignored**

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## What is at stake if we under-value Australia's universities?

Universities have proven they can be relied upon.

Australia has enjoyed 27 consecutive years of economic growth, and each year this growth has been underpinned by one of the world's best higher education and research systems.

These universities continue to secure Australia's future.

The nation's universities are the source of the overwhelming proportion of the graduates and PhDs we look to for the knowledge and skills needed to improve lives and drive economic growth, from engineers to geologists, pilots

to paramedics, architects to accountants, surgeons to teachers, medical researchers and specialists in agriculture, horticulture and high value sustainable food production.

*Australian Governments should not need reminding of how dismal the future would be if our universities were diminished*

Universities are also the source of much of the research that enables sectors to innovate and evolve at the speed essential to competitiveness in the fast-moving global economy.

Each year of Australia's economic growth has required universities to be agile, responsive and adept at embracing changes in priorities,

## National Context and Executive Summary

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direction and methods to serve the national interest. From a national focus on heavy industry, through a resources boom and into ICT, machine learning, cyber security and Defence technologies it is the university sector that has been fundamental to Australia's continuing success. In parallel, our universities have created a \$35 billion export market in their own right with Australia's international education industry Australia's third largest export market.

*Australia has enjoyed 27 consecutive years of economic growth, and each year this growth has been underpinned by one of the world's best higher education and research systems*

But economic success – national or global – is ephemeral unless constantly nurtured. At the frenetic global pace of 2019, there can be no political or policy leeway or missteps

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for Australia. We must contend with increasing challenges, including geopolitical disruptions.

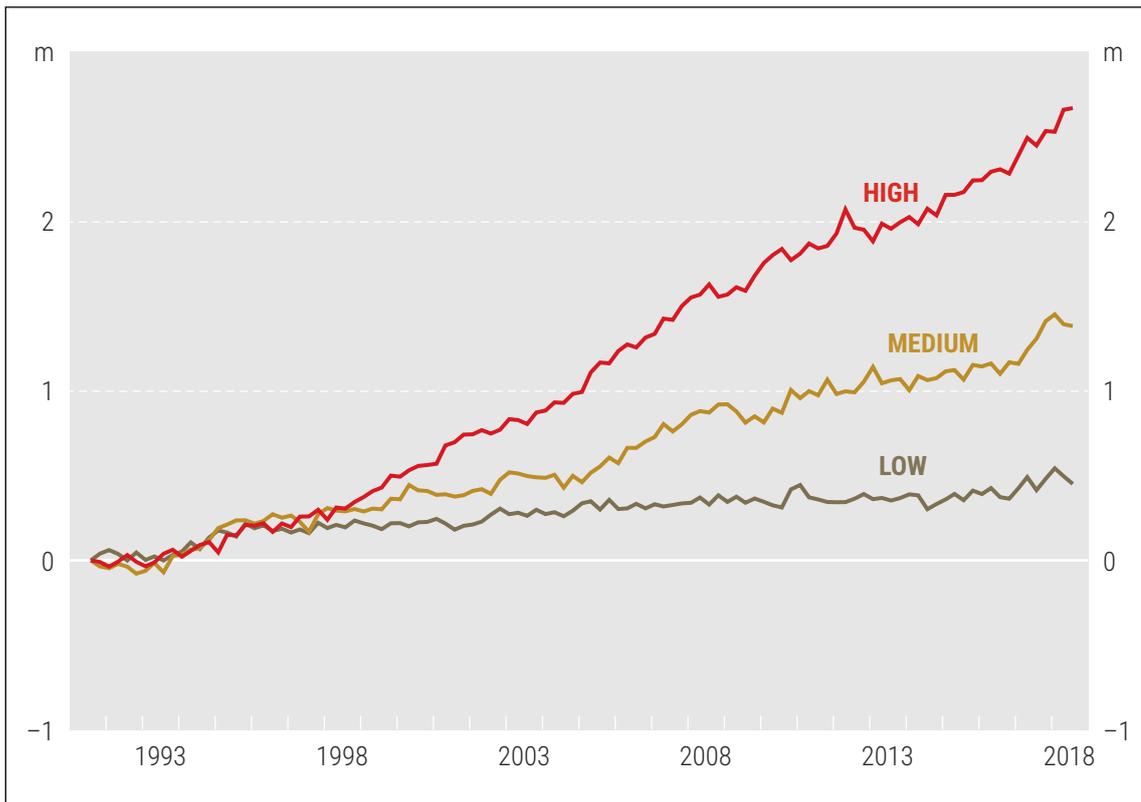
Success in such a complex global political climate is ensuring the proven fundamental components can continue to deliver – such as universities.

It would be a political misstep to ignore that many of Australia's competitive advantages to date are because it has been able to rely on its universities. As well as the role universities play in underpinning research that keeps our economy moving, they also provide our modern economy with the skilled workforce it needs to thrive. This is critical because data from the Australian Bureau of Statistics (ABS) and the Reserve Bank of Australia (RBA) indicates clearly that the changing economy over the past 27 years has required an increasingly skilled workforce.

Universities have delivered that.

The need for a post-secondary education is now a given.

**Figure 1: Employment by Qualification Requirement\***  
 Cumulative growth since August 1991



\* Categories are based on occupations (as defined in ANZSCO) that require skill levels commensurate with certain levels of education, training or experience; 'high' indicates Diploma or higher or equivalent experience; 'medium' indicates Certificates II to IV (as defined by the Australian Qualifications Framework) or equivalent experience; 'low' indicates Certificate I or compulsory secondary school education

Sources: ABS;RBA

The Go8's total economic impact  
 is some **\$66.4 billion each year**

\*London Economics

## National Context and Executive Summary

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Currently Australia has eight of its universities ranked in the world's top 120. Such is the depth of those universities' research capability (which largely decide world rankings) only the US and the UK have a greater number of institutions in the top 120<sup>1</sup>. And

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educate the leaders of tomorrow at home, and overseas.

The Go8 produces more than 55 per cent of Australia's science graduates, more than 40 per cent of engineering graduates and awards half of all

The Go8 conducts  
**\$6.4 billion** of research each year  
with Government contributing  
just **\$2 billion in direct**  
**research funding**

Australia's universities are proud that they can lay claim to globally revered research which saves, protects, and advances lives, industries, water and food supplies worldwide.

The Group of Eight (Go8), represents Australia's leading research-intensive universities. They deliver more than 100,000 quality graduates a year and

research doctorates. It also educates more than half of Australia's medical, dentistry and veterinary students.

It draws 30,000 students from remote and regional Australia; students who prefer the opportunity of studying at the city campuses of Australia's most highly ranked universities. It attracts one in three International students who

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1 QS World University Rankings 2019

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choose to study onshore in Australia. They too want to study, and often conduct research, at a top ranked university. Those students contribute \$17.98 billion each year to the nation's education exports and support more than 73,000 Australian jobs.

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under \$10 is returned. This is a high return on taxpayer investment.

Yet 20 years ago when it could be argued the economic stakes for Australia were significantly lower than in 2019, illogically, Australia's universities had the value of their

The Go8 delivers Australia  
**over 100,000 quality graduates** each year  
and has educated almost  
**80% of the Australian-educated CEs**  
**of the nation's top companies**

The Go8 alone contributes \$66.4 billion each year to Australia's economy (as shown by the 2018 independent 'London Economics' report<sup>2</sup>). Each year its research activity provides the nation with the equivalent of \$1000 for every Australian, and for every taxpayer dollar invested in its research just

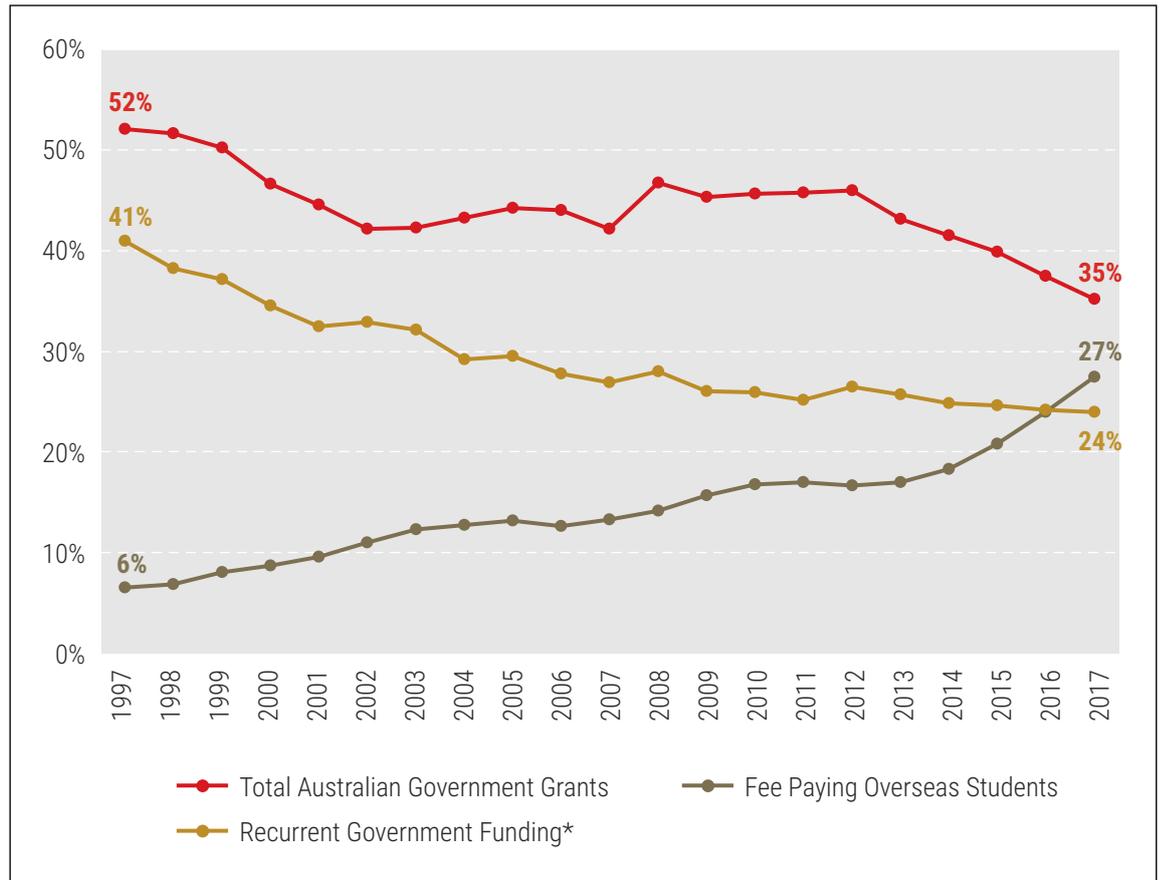
contribution to Australia valued much higher. In 1999 50 per cent of Go8 revenue came from the Australian Government (not including HECS) – 37 per cent of which was recurrent funding. By 2017 the Australian Government provided only 35 per cent of Go8 revenue, only 24 per cent of this being recurrent.

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2 The economic impact of Group of Eight universities, London Economics 2018, [https://www.go8.edu.au/Go8\\_London-Economics-Report.pdf](https://www.go8.edu.au/Go8_London-Economics-Report.pdf)

## National Context and Executive Summary

**Figure 2: Go8 Share of Revenue by Selected Source: 1997-2017**



Source: Higher Education Financial Reports, Department of Education and Training

\* Recurrent Government Funding: From 2002 to 2016 this comprises *Commonwealth Grant Scheme and Other Grants* plus *Education Research Grants* or equivalent. From 1997 to 2001 this is Operating Revenue from Commonwealth Government Grants pursuant to the Higher Education Funding Act – excluding HECS.

Each year Go8's **research activity** provides the nation with the equivalent of **\$1000** for every Australian, and **for every taxpayer dollar invested** in its research just under **\$10 is returned**

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With taxpayer funding sitting at just 35 per cent, Go8 universities remain publicly spirited but are now effectively privately funded.

In this, a Federal election year, it is essential to put in front of Australia's Federal politicians what is necessary to ensure the Australian community and the nation's economy can continue to receive the quality and

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It has been recognised as vital to go further than set out what is needed. It is only fair to the Australian community to also set out the benefits of meeting universities' needs, and, the high risk to Australia's prosperity if Government continues to ignore the available facts.

In 2019 inaction comes with a high price tag.

Australia has **eight** of its universities  
– **all Go8 members** –  
ranked in the **world's top 120**

**Only the US and the UK** have a  
greater number of institutions in the **top 120**

quantum of research and teaching that is required for universities, and the Go8 specifically given its research focus.

'Priority Directions 2 – three essentials for future economic success' is, as its title sets out, what is needed for the Go8 to continue to facilitate Australia's future at the level required. Most elements are applicable to each of Australia's 40 universities.

*Success in such a complex global political climate is ensuring the proven fundamental components can continue to deliver – such as universities*

# 1 Research

“If Australia is to maintain its annual economic growth, it cannot afford to starve quality research of support any longer. Eventually there is a tipping point where universities cannot absorb what it costs to innovate for economic growth and for improved Australian lives. Our competitor nations understand this, why not Australia?”

Go8 Chair Professor Dawn Freshwater, Vice Chancellor of the University of Western Australia

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Australia’s research capacity is globally recognised. Atypically for a first-world nation the majority of our nation’s research capacity is housed in its universities.

In Australia around 63 per cent of the nation’s researchers are in our universities. This is a heavy responsibility and one the Go8 universities do not take lightly but are well equipped to shoulder.

In total 99.6 per cent of Go8 research is assessed as world class or above<sup>3</sup>.

Without quality research, which drives industry innovation and productivity gains through its discoveries and solutions, Australia’s economic growth would stagnate, and it would not be able to compete in this highly

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competitive and fast-paced global economy.

In 2019 it is highly unlikely that Australia can continue to benefit fully from world-class research if policy drift and under-investment continue.

Despite Go8 research returning almost \$10 for every \$1 of taxpayer investment, university research is being consistently starved of Government funds. Of the \$6.4 billion of research the Go8 conducted in 2016 the Government contributed just \$2.0 billion<sup>4</sup> in direct research funding.

The current policy architecture, developed over the past three decades, is suffering from growing inconsistencies and contradictions. The bulk of university funding in

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<sup>3</sup> Excellence in Research for Australia 2018 evaluation of four-digit Field of Research (FoR) code disciplines across the Go8 at rating level three or above

<sup>4</sup> ABS Survey *Research and Experimental Development, Higher Education Organisations, Australia, 2016* – internal Go8 figures

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Australia is tied to student numbers. At the same time research itself is underfunded leaving both direct and indirect costs of research to be heavily cross-subsidised from teaching income.

This issue is particularly acute across the Go8 universities where the excellence of our research performance means that we account for two thirds of all research funding to Australian universities and consequently have the biggest cross-subsidisation of research.

Of the \$6.4 billion in research conducted by the Go8 in 2016, \$3.3 billion came from university funds not tied to research. This includes funding to cover the majority of overhead or indirect costs of critical Government commissioned research through the Australian Research Council (ARC), the National Health and Medical Research Council (NHMRC), and the Medical Research Future Fund (MRFF) which provide mainly direct funding.

Government support for these indirect costs comes through the Research Block Grants and the **Go8**

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**recommends that the Research Block Grants support be raised to return 50 cents in indirect cost support for every dollar of ARC, NHMRC and MRFF direct funding.**

This figure of 50 cents in the dollar was Recommendation 8 of the Bradley review. This would represent an additional Government allocation of \$360 million a year (based on 2019 figures<sup>5</sup>) while still leaving universities to fund a significant proportion of costs from other funds (see below). This would be a significant boost to the capacity of universities to conduct world leading research.

It is worth noting that the 2019 Budget contained cuts to Research Block Grants of \$345 million over the forward estimates.

In addition to indirect cost pressures, the real value of direct funding of research is also an issue. Calculated in 2018–19 dollars ARC grant funding since 2011–12 peaked at \$971 million in 2012–13 and decreased to \$760 million for 2018–19. This represents a drop of over 20% in real terms with no significant real increase over the Budget forward estimates

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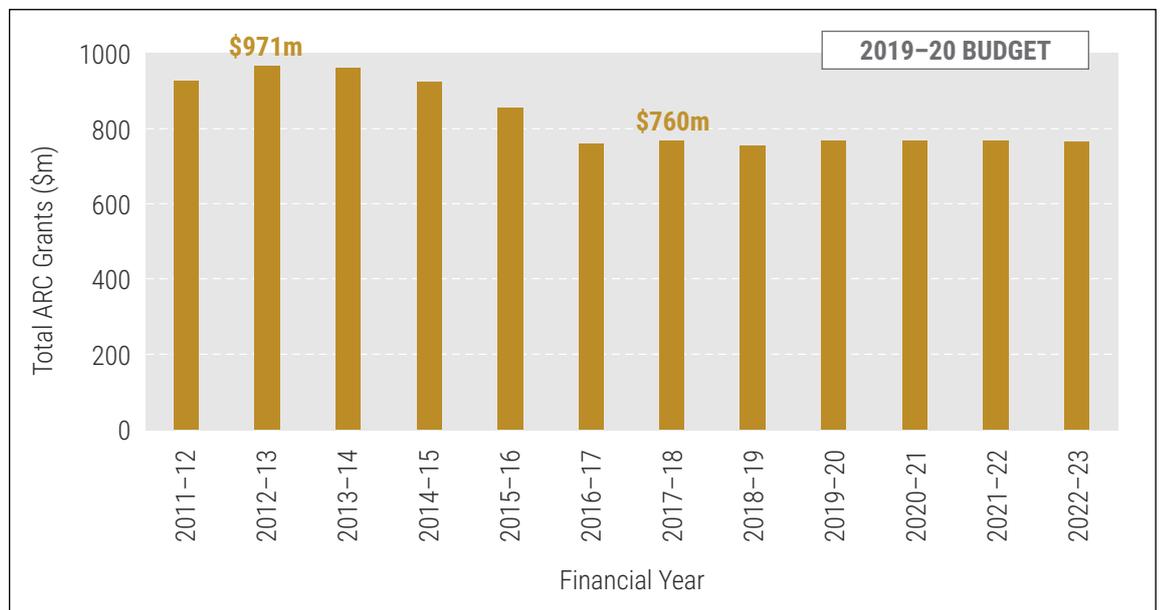
<sup>5</sup> This compares Research Support Program allocations based on Category 1 income against the two-year average of Category 1 income used as an input in the allocation formula

# 1 Research

(see Figure 3). To address this decrease in the level of funding the **Go8 recommends that the real value**

**of ARC grant funding is increased to the 2012–13 level of \$971 million (2018–19 dollars) and indexed annually.**

**Figure 3: ARC Total Grant Amounts - Budget Figures in 2018-19 \$\***



\* Budget estimated actual special appropriations for Discovery and Linkage Programs expressed in 2018-19 dollars using ABS CPI inflator and 2019 Budget forecasts for CPI

Pressures on direct research funding have resulted in Go8 universities also making co-contributions to direct funding to be able to undertake projects funded by Government grants across the ARC and other Government schemes. A recent survey of Go8 institutions indicated a range of co-contribution practices.

Across the group the level of co-contribution was as much as 76 c/\$ for NHMRC Fellowships and 26 c/\$ for CRC Project Grants. Overall the total additional spending for every dollar of research income received can be as much as \$1.34 when capital expenditure is included.

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This funding distortion leads to a confusing picture of research funding that is worryingly unique to Australia. Our competitor nations – such as the UK<sup>6</sup>, EU<sup>7</sup> and US<sup>8</sup> – have research funding clarity through schemes which provide support taking into account the full costs associated with research, sometimes known as Full Economic Costing (FEC).

The recent report of the House of Representatives Standing Committee on Employment, Education and Training into Australian Government Funding Arrangements for non-NHMRC Research<sup>9</sup> recommended that the “Australian Government provide greater oversight and coordination of Australia’s research investment” (Recommendation 14, 5.70).

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One of the most significant recent Government initiatives in support of research is the creation of the Medical Research Future Fund (MRFF). At full capitalisation of \$20 billion the earnings from MRFF could fund as much as \$1 billion in translational medical research activity each year – research directly targeting health outcomes for the Australian community. The importance of the MRFF cannot be overstated and **the Go8 urges an incoming Government to commit to the current full capitalisation timeline of \$20 billion by FY 2020–21.**

This focus on translational research is critical as it is the way in which the Australian community takes full advantage of Australia’s world leading research sector. However, this is not just the case for medical research but for all research.

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6 Many UK research funding councils provide 80 per cent of the Full Economic Cost of projects  
<https://www.ukri.org/files/legacy/documents/fecfaq-pdf/>

7 The EU Horizon 2020 program delivers indirect costs with research grants, see  
[http://ec.europa.eu/research/horizon2020/pdf/press/fact\\_sheet\\_on\\_rules\\_under\\_horizon\\_2020.pdf](http://ec.europa.eu/research/horizon2020/pdf/press/fact_sheet_on_rules_under_horizon_2020.pdf)

8 <https://rates.psc.gov/fms/dca/background.html>

9 [https://parlinfo.aph.gov.au/parlInfo/download/committees/reportrep/024212/toc\\_pdf/AustralianGovernmentFundingArrangementsfornon-NHMRCResearch.pdf;fileType=application%2Fpdf](https://parlinfo.aph.gov.au/parlInfo/download/committees/reportrep/024212/toc_pdf/AustralianGovernmentFundingArrangementsfornon-NHMRCResearch.pdf;fileType=application%2Fpdf)

## 1 Research

This is why the **Go8 is recommending the creation of an Australian Research Translation Future Fund (ARTFF)** to support the translation of non-medical research. This was also a recommendation of the review by the House of Representatives Standing Committee on Employment, Education and Training (Recommendation 14, 5.7.1).

Overarching all of Australia's world leading research is the need for a sustainable and long-term commitment to the research infrastructure required to keep Australian research competitive on the international stage. While the Government's response to the 2016 Research Infrastructure Roadmap including \$1.9 billion to the National

*An investment in knowledge pays the best interest*

Benjamin Franklin – Founding Father of the United States

This fund would sit alongside ARC funding (as the MRFF sits alongside NHMRC funding), to support translation of research into non-health/medical applications that fundamentally advance Australia's non-medical/health priorities, including food, soil and water, transport, cybersecurity, energy, resources, advanced manufacturing, and environmental change<sup>10</sup>.

Collaborative Research Infrastructure Strategy (NCRIS) over 12 years – is welcome, it does not go far enough. **The Go8 recommends that the \$3.9 billion in the Education Investment Fund (EIF) be used for its original purpose as an endowment fund to support universities in capital expenditure, including for research infrastructure.**

<sup>10</sup> See also the UNSW Sydney submission to the review of Australian Government Funding Arrangements for non-NHMRC Research

## The Go8 makes the following recommendations to an incoming Government in the national interest:

- That the Research Block Grants support be raised to return 50 cents in indirect cost support for every dollar of ARC, NHMRC and MRFF direct funding in line with Recommendation 8 of the Bradley Review.
- That the \$3.9 billion in the Education Investment Fund (EIF) be used for its original purpose as an endowment fund to support universities in capital expenditure, including for research infrastructure.
- That an Australian Research Translation Future Fund (ARTFF) be established to support the translation of non-medical research.
- That a transparent approach to the full funding of research be established by Government to better target research funding.
- That the ARC and MRFF grants programs are fully funded and competitive, including:
  - » ARC grant funding be increased to the 2012–13 level of \$971 million (2018–19 dollars) and indexed annually; and
  - » Full capitalisation of the MRFF by FY 2020–21 and that at least 90 per cent of MRFF funding is allocated on the basis of competitive and peer-reviewed processes.

**Deliver the above** and Australia moves forward with a vibrant, globally recognised research sector with an expanding portfolio of commercialised research success stories. This is an investment with a high and sure economic and social return for the Australian community. There is kudos for Governments that invest robustly in research.

**Don't deliver the above** and Australia stagnates and its community suffers from lower living standards, higher unemployment, and a reduced tax take to spend on essential services.

Industries that need to innovate in order to survive will decay.

Critical discoveries in areas such as quantum computing, artificial intelligence and machine learning, may not be made in Australia.

Leading researchers and investors will look for opportunities at better-resourced overseas universities.

The nation will lose its lustre for discerning international students (who are influenced by rankings that are linked to research performance).

A non-fully funded MRFF is a wasted opportunity of a generation of researchers. It will prohibit the Australian community, to its detriment, from accessing the full capacity of translational medical research.

# 2 International Engagement

The Go8 must be enabled to continue to support Australia, utilising its deep and diverse research and student diplomatic relationships and agreements, its alliances and partnerships with the world's top research-intensive universities, and its contracts with global companies.

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The Go8, representing Australia's leading research-intensive universities, is active around the world. It sees quality research (and research teams) as having no borders, no barriers; being for the benefit of all, at all times.

Importantly, the Go8 works with its counterparts around the world: the global top research-intensive universities that share our ethos. It is a determination that has served all nations well, and it survives despite a world of ever-changing geo-political pressures. It must continue to survive; with free movement of researchers being pivotal.

Apart from helping Australia, helping to address other nations' major challenges brings other benefits as well: a positive view of Australia

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that builds our soft power and strengthens our position in the Indo-Pacific. To have good neighbours we must also be a good neighbour, and our universities are a fundamental pillar in that strategy.

The Go8 is an established global leader in long-term international university partnerships with the world's top universities, and with Government policy support, can continue to be so; for the benefit of Australia and all Australians. This doesn't just help us to remain on the cutting edge of research discoveries that will drive change in the 21st century, but also helps us to a seat at the table of major global initiatives such as the €100 billion Horizon Europe program. Without this, we risk major global decisions being

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made in the absence of any Australian voice and Australia being left behind on major international research advances.

The Go8's quality students and research graduates represent Australia in the Indo-Pacific region

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rankings (which are underpinned by research performance) and Australia's reputation as a welcoming, safe destination.

Against exceptional global competition for quality international students from the UK, Canada, Europe

***The soft power of science has the potential to reshape global diplomacy***

Ahmed Zewail - Winner of the 1999 Nobel Prize for Chemistry

through the highly successful "New Colombo Plan" which continues as a foreign policy stalwart for Australia.

Go8 members currently enrol more than 100,000 international students from 200 nations. One in three international students who choose to study on-shore in Australia choose a Go8 university; with an economic impact in Australia of \$17.98 billion each year.

Success in competing for quality international students and forging partnerships is tied to global

and now China, the Go8 universities continue to be recognised as high-quality destinations.

International education engagement not only drives Australia's third-largest export industry and is a powerful soft-diplomacy tool, it is also key to Australia's international competition for talent and research collaboration.

For this reason, it is critical that there is a complementarity in Australia's visa and migration systems for both international students and staff – including research staff.

## 2 International Engagement

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It is also vital that the Australian Government support nation-to-nation research programs. Currently, the Government supports the important but too small Strategic Research Funds with India and China. The Government should retain and bolster these programs as well as look for other nation-to-nation research collaboration opportunities which can only be delivered at a governmental level.

The incoming Government must also restore the recently terminated Endeavour Leadership Program. These small but highly significant scholarships supported outstanding Australian postgraduates, postdoctoral researchers and professionals to have an overseas experience designed to boost Australia's standing as a world leader in education and research. The mobility component of the awards enabled students of both higher education and VET to travel to immerse themselves in other cultures and strengthen their global knowledge and experience.

Both components also allowed for international candidates to come to Australia.

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At a time of growing mistrust and cultural tensions threatening the global world order in which we live, programs such as Endeavour which promote understanding and tolerance contribute to Australia's soft power in our region.

At the same time, the European Union is currently engaged in a process deciding on the shape of the 2021–2027 Horizon Europe scientific research initiative. Horizon Europe will fund research partnerships across Europe and with select international partners to the level of approximately €100 billion. Australia has had only a small footprint in the current EU Horizon 2020 science and research initiative and it is important that this is remedied for the successor program Horizon Europe. **The Go8 recommends that the Australian Government negotiate with the EU for formal partner status in Horizon Europe** so that as a nation we are not locked out of seven years of research collaboration through this program. Many of our competitor nations are likely to be partners in the Horizon Europe and it is vital for Australia to be part of this collaborative fund.

### The Go8 makes the following recommendations to an incoming Government in the national interest:

- That the Government develop an international education strategy that:
  - » Ensures complementarity between policy decisions on student and staff visas and migration in consultation with the sector;
  - » Broadly supports the sector in maintaining the national capability and climate that allows the Go8 to educate 100,000 international students;
  - » Continues to support and expand the established and successful New Colombo Plan; and
  - » Reinstates the recently terminated Endeavour Leadership Program, to support the development of Australia's next generation of leaders and cement our relationships across the increasingly important Indo-Pacific region.
- That the Government supports the international reach and relevance of Australian university research through:
  - » Negotiating formal partner status in the EU's €100 billion Horizon Europe scientific research initiative;
  - » Retaining and enhancing the Australia-India Strategic Research Fund (AISRF) with increased funding; and
  - » Retaining and enhancing the Australia-China Strategic Research Fund (ACSRF) with increased funding.

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**Deliver on the above** and Australia moves forward as a sophisticated first-world nation that understands the dynamics of education, quality university research and researchers as powerful global diplomatic and

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economic drivers; drivers that deliver community-wide benefits.

**Don't deliver the above** and Australia will see a multi-generational loss of reputation, depletion of competitive advantage, and loss of soft power influence.

# 3 Post-Secondary Education

Australia must have a skilled, socially mature workforce appropriate for the time. The only way to ensure this is through a responsive post-secondary education sector. The 27 consecutive years of economic growth that Australia has enjoyed have been, in part, enabled by the growth in our skilled workforce through university learning and trade skills learning.

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Any successful nation in the fast-paced global economy is reliant on the development of its skilled workforce. It would be unrealistic to presume strong continued GDP growth for Australia in the future if there is a stumble in providing the skills and capabilities needed to achieve this.

However, these skills that Australia requires can only be delivered from across the entire Post-Secondary Education (PSE) sector. This must include vocational education, university education and the interface between the two – the so-called “third sector”. It also requires the inclusion of research and research training as a core part of the spectrum of activity in the PSE sector.

This view of a single system of PSE is a paradigm shift for both Government and the sector. For this

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reason the Go8 recommends that the implementation of such a system be underpinned by a broad-based Government review of PSE.

## Challenges and Preparedness

Australia deserves and needs a post-secondary education system that is prepared for the challenges required of it.

The Go8 seeks a post-secondary sector where students can make well-informed choices about their education and skills development. A sector where students can move comfortably between TAFE and university when their needs, and the needs of the economy, shift.

To achieve this Australia needs a PSE sector that is equipped with the data to know the skills needs

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of our economy now and into the future. It will also need a source of ongoing strategic advice to Government on the PSE to ensure a fit-for-purpose evolution of the system rather than a system that is set in stone. To this end, the Go8 recommends the creation of two bodies for the PSE system:

- A reliable, robust and independent skills forecasting body; and

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The Go8, which enrolls quality students and delivers Australia more than 100,000 quality graduates each year, does not see entering university as an outcome. Rather that is the point when our obligation begins. The outcome is the successful graduation of a student then armed with the knowledge and skills necessary to face an economy that has, in all likelihood, changed even in the short number of years of their study.

*...education is the most powerful weapon  
which you can use to change the world*

Nelson Mandela – South African anti-apartheid revolutionary and President of South Africa 1994–1999

- An ongoing PSE Commission to review the design and operation of the PSE system.

## **Access and Equity Must be Targeted**

Access to quality education should not be limited by a person's postcode, socioeconomic status (SES), or any factor of disadvantage.

Go8 universities finished in the top four positions for retention of domestic undergraduate students in 2016 with an (unweighted) average across the Go8 of 93 per cent retention compared with the national figure of 85 per cent<sup>11</sup>.

It is critical to ensure that Australia's school leavers are properly equipped and skilled for the future and never more so than in 2019.

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<sup>11</sup> Department of Education and Training figures

### 3 Post-Secondary Education

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For Australia that means recognising and accepting that a school education is no longer enough, and that those who leave school unable – for whatever reason – to access a post-secondary education will be left behind.

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to students in particular through the Youth Allowance, Austudy and Abstudy programs.

Youth Allowance has not received a real increase in value since 1994 and

*Every Australian student is owed the opportunity to reach their potential and find quality education of their capability and choice, regardless of family circumstances or location, in a quality post-secondary education system*

Go8 Chair Professor Dawn Freshwater Vice Chancellor of the University of Western Australia

#### **There will be fewer and fewer jobs for anyone who is classed as “low skilled”.**

In a country of just 25 million, Australia must ensure that its entire population – regardless of location, socioeconomic status, or other factors of disadvantage – is able to access the best form of post-secondary education for them.

This means that as an immediate priority there must be an increase in the level of financial support available

it is leaving many students struggling. As many as one in seven students regularly go without food and other necessities; this rises to one in four Indigenous students and almost one in five students from low-SES backgrounds<sup>12</sup>.

This is why the Go8 through its formal partnership with the Australian Council of Social Service (ACOSS) is supporting the ACOSS *Raise the rate* campaign to increase payments for Youth Allowance, Austudy and Abstudy by at least \$75 per week.

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12 2017 Universities Australia Student Finances Survey

*Go8 recommends that the total HEPPP funding be determined in the Higher Education Support Act (HESA) at \$200 million and indexed annually*

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More broadly, questions of access and equity in education are complex and require targeted solutions that must be part of the (re)introduction of a Demand Driven System (DDS).

Since the introduction of the full Demand Driven System for Higher Education in 2012, bachelor level attainment rates for the 25–34 year-old Australian population cohort has risen from 35.0 per cent in 2011 to 39.7 per cent in 2018 – approaching the Bradley Review target of 40 per cent<sup>13</sup>. While the national attainment target is close to being achieved it should be noted that there is significant variation on these figures according to State, remoteness area and gender.

In contrast, while the DDS has significantly increased the number of enrolments from equity groups, this has not in all cases resulted in closing in on the Bradley Review targets in

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the same way as for Bachelor degree attainment. For instance, while undergraduate participation from low-SES groups increased by nearly 30,000 or 30 per cent between 2012 and 2017 as a share of the student population these enrolments have only increased from 15.5 per cent in 2012 to 17.1 per cent in 2017<sup>14</sup> – trending to fall short of the Bradley Review target of 20 per cent by 2020.

One initiative that the Go8 believes has a proven track-record in encouraging participation in Higher Education from under-represented sections of the community is the Higher Education Participation and Partnerships Program (HEPPP).

The Go8 has argued consistently since 2016 that there should be year-to-year stability in HEPPP funding and that the quantum of funding for HEPPP should be at least \$200 million. While the 2019

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<sup>13</sup> Given the time lag between enrolment and graduation the introduction of the DDS will have had only a limited impact on the current attainment rate

<sup>14</sup> *Equity Student Participation in Australian Higher Education 2012–2017* Briefing note of the National Centre for Student Equity in Higher Education (NCSEHE)

### 3 Post-Secondary Education

Budget Forward Estimates has HEPPP funding in 2022–23 at \$208.1 million, the fact is the forecast does not translate to actual funding as it does not factor in CPI. The **Go8 recommends that HEPPP funding be enshrined within the Higher Education Support Act (HESA), be set at \$200 million (in 2018–19 dollars) and indexed annually.**

The Go8 has also advocated for flexibility in the allocation of HEPPP funding, to ensure it delivers the most effective benefits for students from disadvantaged backgrounds. As in the 2017 HEPPP Review by ACIL Allen the **Go8 recommends that that HEPPP should be aligned to a three-year funding cycle.**

**Table 1: HEPPP Budget forward estimates versus estimated actuals in 2018–19 \$**

(\$ million) <sup>15</sup>	2014	2015	2016	2017	2018	2019	2022
	-15	-16	-17	-18	-19	-20	-23
Amount originally estimated in Forward Estimates <sup>16</sup>	207.3	215.6	197.8	180.9	186.9	108.6	<b>190.9</b> <sup>18</sup>
Estimated actual appropriated <sup>17</sup>	174.6	188.8	153.8	141.2	152.5	111.1 <sup>18</sup>	
<b>Difference</b>	<b>-32.6</b>	<b>-26.9</b>	<b>-44.0</b>	<b>-39.7</b>	<b>-34.4</b>	<b>2.4</b>	

<sup>15</sup> Conversion to 2018–19 dollars has been made using the ABS CPI Inflation Calculator and Budget 2019 CPI estimates. Figures have been rounded

<sup>16</sup> For example, the 2014–15 value was first estimated in the 2011–12 Budget. No attempt has been made to correct for CPI forecasts used in the Budget Forward Estimates

<sup>17</sup> For example, the estimated amount actually appropriated for 2014–15 is from the 2015–16 Budget

<sup>18</sup> From the 2019 Budget

## The Go8 makes the following recommendations to an incoming Government in the national interest:

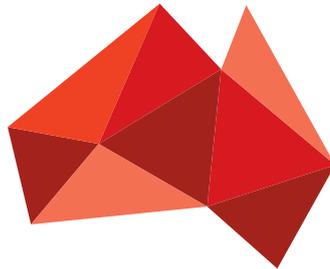
- The adoption of a national targeted approach to post-secondary education (PSE), comprised of equal partners, all of which are adequately resourced to perform their role and allowing seamless movement between different parts of the system.
- To facilitate the targeted approach to PSE:
  - » A Government review of the PSE sector to ensure Australia can deliver an equal, seamless, PSE system as quickly as possible;
  - » Re-introduce a reliable, robust and independent skills forecasting body; and
  - » An ongoing PSE Commission to review the design and operation of the PSE system.
- To ensure the PSE system is appropriately focused on equity of access:
  - » The introduction of a Demand Driven System that targets areas of need and is driven by quality;
  - » That financial support for students through Youth Allowance, Austudy and Abstudy be raised by a minimum of \$75 per week in line with the Australian Council of Social Service (ACOSS) Raise the Rate campaign recommendations;
  - » Total funding for the Higher Education Participation and Partnerships Program (HEPPP) be enshrined within the Higher Education Support Act (HESA) at \$200 million (in 2018–19 dollars) and indexed annually; and
  - » That the HEPPP should be aligned to a three-year funding cycle to provide greater flexibility in the use of funding.

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**Deliver the above** and give the post-secondary education sector the ability to meet the future needs of its students, our society and the economy. This is essential for our students and the PSE to thrive so that Australia remains globally relevant.

**Don't deliver the above** and Australia faces a dismal 21st Century

outcome. It is not acceptable for the opportunities and living standards of all Australians to be compromised by political inaction in the face of overwhelming evidence the post-secondary education model requires change. It is a truism that standing still means falling behind. Australians should not be subjected to the everyday ramifications of that.



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