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Select Committee on COVID-19
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Go8 Submission on the Senate Inquiry into the Australian Government's Response to the COVID-19 pandemic

The Group of Eight (Go8) is pleased to have the invaluable opportunity to comment within the Inquiry into the Australian Government's Response to the COVID-19 Pandemic. Please note that this submission represents the views of the Go8, and our member universities may make their own, more detailed submissions.

The outbreak of this novel disease in late 2019, now known as COVID-19 (caused by the SARS-CoV-2 virus) came to an Australia already reeling from the widespread bushfire devastation of the summer months.

Every Australian will have been touched by one or both of these events, as the cumulative impact has extended across a wide range of areas including health, the economy, jobs, social interaction and our very way of life and living.

Full recovery from such deep and significant disruption takes time. It will encompass many aspects of our society, from the economic, to the social, to our health system and our national psychology. Some sectors will need to change how they operate into the foreseeable future, perhaps forever. New ones may arise to cater for ongoing COVID-19 related changes. Others may never recover.

If Australia is to successfully negotiate all of these challenges, we must be capable of steering a path that relies on evidence-proven methods and pathways built on established world-leading knowledge that can be tried and tested; and this in turn will rely on the successful leveraging of the considerable knowledge and expertise that resides across our nation. We are extremely fortunate to have this knowledge and expertise within Australia. We must not only use it, but value it.

As the Inquiry is well aware, the Go8 represents Australia's leading research-intensive universities. We are consistently the highest ranked Australian universities across the major international ranking systems (Academic Ranking of World Universities; Times Higher World University Rankings; QS World University Rankings); with seven of our eight members currently amongst the Top 100 universities in the world.¹

Our staff include 65 per cent of Australia's most highly cited university researchers (2019), demonstrating the high level of global interest and trust in their work, and we attract industry funding that is twice that of the rest of the sector combined.

¹ QS World University Rankings, 2020



Together, this represents a depth and breadth of knowledge and expertise that is truly remarkable for a country with a population of only 25 million people.

This has placed Australia in the fortunate position of having a strong and internationally recognised community of expertise – across a broad range of areas – that we can draw on during a national crisis such as that we currently face.

This has served us not only directly – through the vital research into developing potential vaccines as is currently well underway at the Universities of Queensland and Melbourne – but it has also allowed us to develop an evidence-based, stepped approach to managing COVID-19 and beyond, which has helped us contain the virus more effectively than many other countries around the world.

Our Government has already capitalised on this great national asset that resides within the Go8. The Go8's evidence-based *Roadmap to Recovery* report, presented to Health Minister Greg Hunt on the 29 April, pooled the collective knowledge and experience of 160 Go8 leading academics across many different discipline areas to provide a comprehensive and multi-disciplinary approach to how Australia might best navigate its way out of the pandemic crisis and into a recovery that must be politically determined in delivery, and able to be maintained.

It also provides Australia with another significant potential advantage. Although there is much that still remains unknown, it is becoming clear that Australian society post-COVID is likely to be very different to our pre-COVID days. In the absence of an effective vaccine, some mechanisms, such as, for example, additional hygiene and social distancing, are likely to remain for some time. The severe disruption to global trade means that many countries – not just Australia – could be facing the prospect of recession.

However, disruption can also bring opportunity. Australia now faces a once in a generation chance to use our current circumstances to rebuild and reshape our economy into one adapted to the Fourth Industrial Revolution and fit for purpose to the third decade of the 21st century. In the coming years, technologies such as Artificial Intelligence, machine learning, cyber technologies, quantum computing, robotics etc will transform the industrial landscape and international relations beyond that which we can see today.

Australia today has a stark choice. It can either harness the considerable expertise already existing proudly (and revered around the world) within our research intensive universities to ensure we remain robustly competitive in this coming different world, or we can squander this chance to truly boost our presence on the world stage, and the opportunity to enhance both the sovereign aspect of our economy and the living standards of our community.

The Go8 has not stopped at "Roadmap to Recovery". Our universities have continued to work with commitment to assist Government. We are currently working on the next phase of Australia's approach to the pandemic: the vital question of how we effectively not only rebuild our economy, but launch it successfully into a new era of competitiveness and cohesion.

We would be happy to share the outcomes of this comprehensive work with the Inquiry once it is concluded.

But providing advice is only part of the story. For it to be truly effective, that advice needs to be welcomed, digested, considered and – where appropriate – acted upon.



The Go8 wishes to commend the Government on its willingness and openness in ensuring that National Cabinet deliberations were informed by expert evidence-based advice, including the *Roadmap* report. As the report itself notes, the “most promising evidence-informed strategy is only possible if public involvement and cooperation can be sustained” and part of building that public confidence is clear communication of “the rationale for decisions including what evidence is being used, who was consulted, and why a course was chosen”.²

The effective leadership shown by Government throughout its response to the COVID-19 crisis has demonstrated the capability and capacity of Government and experts – such as those at the Go8 – working together for the benefit of the nation.

We look forward to continuing this successful relationship into the future.

Recommendation: The Go8 commends the Government on its willingness to consider evidence-based advice and urges it to continue to do so to ensure the ongoing development of strong, effective public policy for our national advantage.

As noted above, the issues arising from the COVID-19 crisis are widespread and complex, impacting almost every aspect of Australian life. Responses will therefore also need to encompass a wide range of areas and expertise in order to be effective. This is why the Go8 *Roadmap* report took a strongly multi-disciplinary approach, incorporating expertise in areas as diverse as epidemiology, infectious diseases, public health, economists, indigenous considerations, communication and behavioural change, ethicists, political scientists and business scholars.

As demonstrated through the *Roadmap* report, Australia is fortunate to have a wealth of high-quality expertise on which we can reliably draw. This should rightly be seen as a key national asset, ready and able to support our ability to navigate our way through any issues that may arise. This in turn rests on our world class higher education sector, which has continued to produce the high-quality researchers, academics and professionals who fuel our economy.

They will also provide the essential expertise needed to build the new industries that will be so important in Australia’s post-COVID recovery, such as advanced manufacturing or defence technology industries, or leveraging the benefits that come from our world class research facilities into quantum technologies.

However, this key national asset is under considerable stress.

Recent figures released by the Australian Bureau of Statistics reveal that Higher Education institutions spent \$12.2 billion on R&D in 2018 – up from around \$10.9 billion in 2016.³ These figures also show that only 30 per cent of this work was funded by the Commonwealth, with the majority – 56 per cent - coming from general university funds.

Independent analysis of Go8 activity for the 2016 year conducted by London Economics showed that Go8 research activity alone contributed \$24.5 billion into the economy just in that year – that is \$1,000 for every Australian.⁴ This comes from an estimated Go8 spend of around \$6 billion on research across our eight members each year, only \$2.25 billion of which is funded by Government.

² *Roadmap to Recovery*, 2020, p.92

³ <https://www.abs.gov.au/ausstats/abs@.nsf/mf/8111.0>

⁴ <https://go8.edu.au/>



University general funds are sourced through the various untied revenue sources that are available to higher education institutions. But – unlike businesses or other ‘for profit’ enterprises – as non-profit operations all of this money must be used to support the critical teaching and research enterprises that fuel Australia’s prosperity.

This is the research that provides the cutting-edge discoveries in and for existing and new commercial industries. The teaching that ensures those industries have an ongoing supply of work ready graduates to boost their workforce is equally as critical to our future.

Any investment in Australian universities is an investment in the ongoing prosperity of our nation.

But COVID-19 means that this general university revenue base is facing even more severe and ongoing threats.

Measures taken to control the disease, both here and overseas, are likely to have a devastating effect on the international education sector. If the predictions of a global recession also prove to be true, it is likely that the market base for that sector – a growing, affluent Asian middle class – will be constrained in its capacity to continue to seek education offshore such as in Australia.

And unlike some areas of the Australian economy, our “missing” international student cohorts of 2020 will continue to create financial loss as they fail to roll through their degrees in subsequent years. In effect that missing cohort equals three, four even five years of missing revenue to Australia not just in fees but in community and tourism spend.

Some of the nation’s highest ranking and most globally respected universities are projecting losses in the hundreds of millions. Collectively the Go8 is facing an estimated \$2.2 billion revenue write-down **this year alone**, compounded by an inexplicable lack of access to national support schemes such as JobKeeper.

This has the potential to damage our national capacity to respond to crises in the future and to rebuild a robust and resilient national economy.

Contrast this to the response of some other governments. In Canada, the Canada Emergency Student Benefit (CESB) was created to support students attending a post-secondary education institution, including those who had graduated but not yet obtained a job.⁵

In New Zealand, the Government released a support package designed to support students, which included measures such as increasing the student loan amount for course-related costs;⁶ and in the UK, £100 million of quality related research funding will be brought forward.⁷

In contrast, although the Australian Government did provide a funding guarantee that universities will receive Commonwealth Grant Scheme (CGS) payments in 2020 regardless of any changes to domestic enrolments,⁸ this only confirms funding that was **already allocated in this year’s Budget**.

This situation is not sustainable. It does not allow for the severe and ongoing impact of COVID-19 and related measures on this critical Australian sector.

⁵ <http://higheredstrategy.com/coronavirus-20-so-that-student-support-package/>

⁶ <https://www.beehive.govt.nz/release/covid-19-tertiary-student-support-package>

⁷ <https://wonkhe.com/blogs/the-governments-covid-19-support-package-for-universities/>

⁸ <https://www.dese.gov.au/covid-19/higher-education/higher-education-faq>



Bluntly, a failure to support our universities is a failure to support Australia and Australian workers. Recent modelling conducted by ACIL Allen Consulting on the economic impact of the University of Sydney showed that that one single university generated over 31,000 jobs in the broader NSW economy. These are jobs outside of the university and found across the economy, including in retail, construction, tourism, real estate and hospitality.⁹The Go8 therefore urges the Government to consider how it might support and protect this vital national asset. Research intensive universities need urgent consideration of support (support which in turn provides a solid return on investment to the nation because we are an asset not a cost). Such support would safeguard these key national assets and ensure that Australia emerges from the current pandemic disruption stronger and better enabled to compete in the coming, knowledge and technology driven decades.

Recommendation: that the Government work with the university sector to develop effective solutions to safeguard our critical research sector, including how our vital national research effort can be best supported in these challenging times.

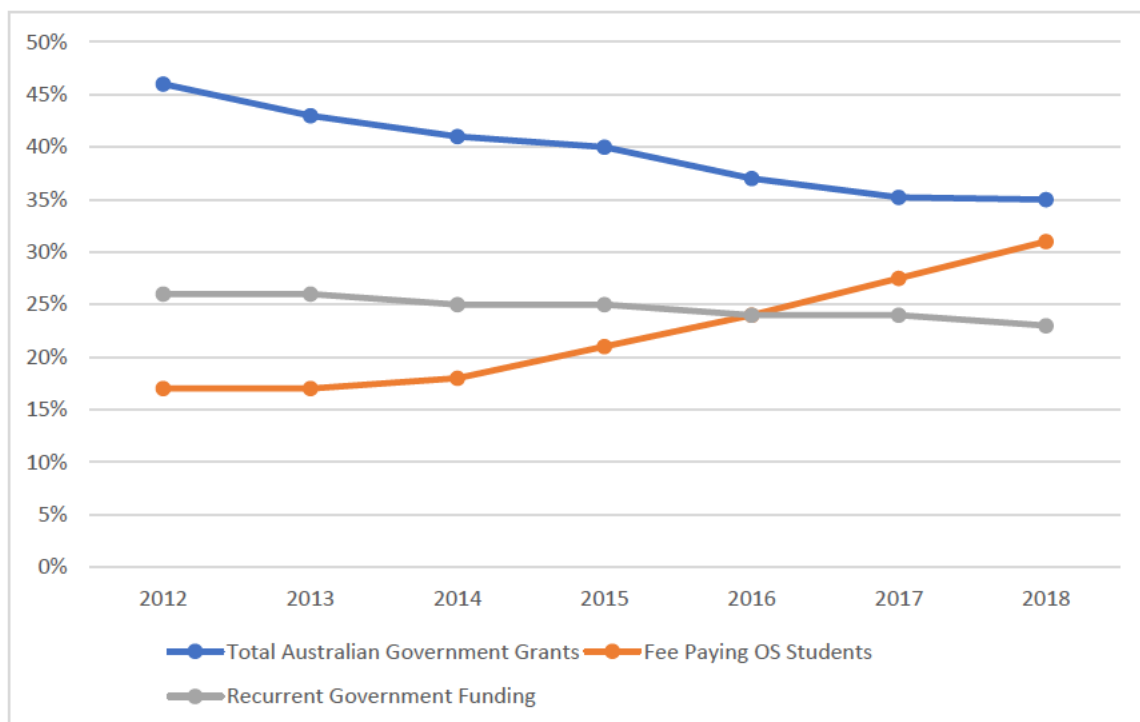


Figure 1: Share of Revenue by Selected Source (Go8): 2012 – 2018. Source: Higher Education Financial Reports, DESE. Note that Recurrent Government Funding includes CGS and Other Grants, plus Education Research Grants.

⁹ <https://www.sydney.edu.au/news-opinion/news/2020/05/21/31-200-nsw-jobs-rely-on-university-of-sydney.html>



The Go8 looks forward to further consultations about Australia's important COVID-19 response, and we welcome any further opportunities to contribute to your important process. We are totally committed to Australia's community and economic recovery.

Yours sincerely

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CHIEF EXECUTIVE