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Joint Standing Committee on Trade and Investment Growth
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Go8 Submission to Inquiry into Austrade's role in attracting investment into Australia

The Group of Eight (Go8) thanks the Joint Standing Committee on Trade and Investment Growth for the opportunity to provide input into consultations around Austrade's role in attracting investment into Australia. Please note that this submission represents the views of the Go8 network. Member universities may also make their own, more detailed submissions.

The Go8 represent Australia's leading research-intensive universities. As we enter the age of the 4th industrial revolution driven by a knowledge economy, the activities of institutions such as the Go8 increasingly underpin Australia's economic prosperity across a broad range of areas. For example, Go8 universities collectively:

- Contributed \$66.4 billion to the Australian economy in 2016, including around \$18 billion in education exports;¹
- Are consistently the highest ranked Australian universities in the world, with all of our members ranked in the top 150, and six of our members in the top 100, of the highly prestigious Academic Ranking of World Universities (ARWU) in 2018;
- Had 99% of our research ranked as world class or above in ERA 2015;
- Educate one in three international students who choose to study higher education in Australia;
- Educate over 100,000 international students from over 180 countries; and
- Have educated every Nobel prize winner, and 83% of Australia's Ambassadors and High Commissioners educated at an Australian university.

Many of our alumni have also gone on to hold significant positions in the Indo-Pacific region and beyond, including Dr Muhamad Chatib Basri, former Indonesian Minister of Finance and independent member of the Asia Pacific Regional Advisory Group of the International Monetary Fund (IMF) (alumnus of the Australian National University);² the Hon Charles Abel MP, Minister for National Planning in the National Parliament of

¹ <https://www.go8.edu.au/economic-impact-go8-universities>

² <http://www.anu.edu.au/alumni/our-alumni/prominent-alumni/dr-muhamad-chatib-basri>



Papua New Guinea (alumnus of The University of Queensland);³ and Dr Tony Tan Keng Yam, President of the Republic of Singapore from 2011-2017 (alumnus of The University of Adelaide).⁴

As such, the Go8 has considerable interest in opportunities to expand our international trade connections throughout our region and beyond.

The Terms of Reference of this Inquiry list the following three questions:

- What role does Austrade have in attracting investment to Australian businesses?
- What benefits have there been from investment to Australian businesses?
- How might Austrade better help Australian businesses to attract investment?

Our response to these issues is outlined below.

Much has been said about the success of Australia's international education export industry. It comprises our largest services export sector, and our third largest export industry overall. ⁵ The Australian international education sector is now worth \$32 billion to the economy, up \$5 billion on last year, and supports more than 240,000 jobs. ⁶ Independent analysis by London Economics suggests that every three international students enrolled at a Go8 university generates around \$1 million in economic impact across the economy. ⁷

It is therefore vitally important that Australia continue to be seen as a high-quality provider to the growing numbers of students from around the globe who pursue an education away from their home country.

However, it is equally important that, in seeking to continue our education successes, we do not overlook other critical areas of activity in which the Go8 are globally engaged.

High quality research performance has increasingly become an essential component of effective and competitive engagement in a 21st global economy.

In fact, high quality research and development underpins our continued success in the priority areas listed in this inquiry, such as agribusiness and food; advanced manufacturing; resources and energy; and infrastructure. Examples of recent research projects in these areas include:

- The University of Queensland was awarded an ARC grant in 2017 to investigate the effects of strong interactions on phases of light and matter in complex quantum systems. Expected outcomes include better understanding of complex materials and a certifiable scaling-up pathway towards simulation complexity, **future hi-tech manufacturing**, and enhanced quantum engineering research capacity.⁸

³ <http://www.parliament.gov.pg/index.php/ninth-parliament/bio/view/alotau-district>

⁴ https://en.wikipedia.org/wiki/Tony_Tan

⁵ <https://dfat.gov.au/trade/resources/trade-at-a-glance/Pages/top-goods-services.aspx>

⁶ <https://ministers.education.gov.au/tehan/australian-international-education-conference-2018>

⁷ https://www.go8.edu.au/Go8_London-Economics-Report_Compelling-Facts.pdf

⁸ <https://www.uq.edu.au/news/node/120607>



- Early Career Researcher at The University of Adelaide is researching genes for developing crops with enhanced salt tolerance, which could have enormous potential impact on Australian agriculture;⁹ and
- UWA's Centre for Energy is dedicated to world-class energy research and technology development. Their research teams work closely with companies, institutions and government agencies to improve gas-to-liquid, clean coal and biofuel technologies, while developing better ways to minimise greenhouse gas and other emissions.¹⁰

The European Union has already recognised the importance of research in its Horizon 2020 programme, in which nearly €80 billion of funding was provided over a seven-year period, with the aim of placing Europe at the forefront of research and innovation led economic development. When it ends in two years' time, it will be replaced by Horizon Europe, with an even larger estimate of around €100 billion.

China has also been strategically investing in research capacity, with spending estimated to have reached 1.76-billion-yuan last year, a rise of 70.9% since 2012.¹¹ China is predicted to overtake the United States as the largest research and development spender by 2020.¹²

Australia punches well above our weight in terms of research quality. We have six universities – all Go8 members – in the top 100 as ranked by the prestigious Academic Ranking of World Universities (ARWU), behind only the US (46) and the UK (8), and ahead of countries such as Germany (4), Canada (4) and France (3).¹³ For a population of only 24 million, and a system of only 39 universities, this is a truly outstanding result, of which our nation should be proud.

International connectivity, whether through exchanges or commercial partnerships, increases our capacity to engage with the best and brightest minds from wherever they may be across the globe. Australian participation in international research collaborations and networks of excellence offer a powerful gateway into global innovation systems. This provides a number of national benefits, including access for Australian researchers to large, multi-national research-active corporations, entry into world leading research partnerships or collaborations (such as is represented by Horizon 2020 and Horizon Europe) and the capacity to reinforce perceptions of Australia as a high-quality destination for international coursework and research students, with follow on effects to Australian graduates' global employability.

International engagement is also important to our commercialisation efforts. Given the profile of Australian industry, in which around 97% of entities are classed as small businesses,¹⁴ identifying commercialisation opportunities with the large, research active corporations overseas is essential.

⁹ <https://www.arc.gov.au/news-publications/media/feature-articles/finding-genes-salt-tolerant-crops>

¹⁰ <https://www.uwa.edu.au/science/Research/Harnessing-resources-and-energy-for-a-sustainable-future>

¹¹ <https://www.cnbc.com/2018/02/26/china-spent-an-estimated-279-billion-on-rd-last-year.html>

¹² <https://chinapower.csis.org/china-research-and-development-rnd/>

¹³ <http://www.shanghairanking.com/ARWU2018.html>

¹⁴ ABS, 8165.0 – Counts of Australian Businesses, including Entries and Exits, June 2013-2017



Austrade, with its network of in-country representatives, is ideally placed to facilitate trade and investment through mechanisms such as:

- Providing timely market intelligence on developments in-country that have implications for trade and investment;
- Identifying opportunities for research intensive universities to engage in-market;
- Perform introductions and make connections between universities or researchers and investors overseas;
- Holding regular events for Australian alumni overseas. These should incorporate both recent and prominent alumni, and include value-add elements beyond just networking opportunities; and
- Assist to identify opportunities for promotion of Australia as a centre of excellence of education and research services during key events overseas (eg, trade fairs, policy dialogues, conventions and conferences, etc).

For example, in 2015 the Go8 universities partnered with Austrade representatives in Tokyo to identify research collaboration and commercialisation opportunities with Japanese research active corporates. A roundtable was held in Tokyo on the 18 September 2015, highlighting collaborative opportunities with firms such as Sapporo Breweries, Fujitsu Laboratories and Takeda Pharmaceutical Company. This was followed by a delegation of Japanese companies with research interests in regenerative medicine attending a series of forums in Australia in 2016.

A model of best practice of how the government can facilitate international trade and investment can be found in the British Council. Sponsored by the Foreign and Commonwealth Office, the British Council promotes Great Britain internationally across a range of areas, from education, to its language and culture, to the arts and science and technology. It is a significant source of soft power, as well as working effectively to identify and facilitate opportunities for British organisations overseas.¹⁵ While Austrade also helps to facilitate Australian industry internationally, the Go8 recommends that Austrade consider what learnings from this model and could be applied to its own operations.

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

Yours sincerely

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¹⁵ <https://www.britishcouncil.org/organisation>