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Group of Eight “Priority Directions” – time for action not activity

Releasing its “Priority Directions” document for the next Government, the Group of Eight Universities (Go8) warns that any innovation agenda will fail without robust policy settings that prioritise universities in line with Australia’s innovative competitor nations such as Canada, the US, the UK, Europe and Singapore.

“The Go8 totally understands the fiscal constraints of an incoming Government. We don’t argue that. What we do argue is priorities, said Go8 Chief Executive, Vicki Thomson. “Put simply you cannot advance to a knowledge economy with innovation at its core, without ensuring that where most of that required innovation occurs – our university sector – is equipped to deliver.

“The next wave of reform must set the university sector on a long-term sustainable course. “The ‘Priority Directions’ released today identifies the actions required if Australia is to have a university sector underpinned by a strong research system and a high quality and efficient teaching and learning system. This, after all, is what delivers us innovation and the quality graduates who then assist deliver us our future economic strength.”

The priorities identified by the Go8 as critical for an incoming Government include:

- **Addressing the current distorted funding model by increasing investment in research.** Current settings uphold perverse outcomes, such as having to cross-subsidise a large portion of essential research from teaching funds. This cross-subsidisation includes supporting critical public research for the National Health and Medical Research Council (NHMRC) and the Australian Research Council (ARC). It has also created an over-reliance on international student income to ‘make ends meet’.
- **Moderating the Demand Driven System (DDS).** The DDS in its current form has successfully increased participation in Australia’s university system. However, it is not sustainable in the long term, has been inefficient in delivering equity of access, does not address sub-bachelor or postgraduate coursework and more broadly lacks a holistic vision for the entire tertiary sector. It is time to move to build a new model - better supporting opportunity, student choice and diversity across the tertiary education sector. At its heart this must provide access and equity for all who are capable, while maintaining quality. In order to achieve this, sub bachelor and post graduate courses should also be incorporated in the DDS to ensure incentives for choice of study are not skewed.
- **Targeted and effective support for low SES and Indigenous students to attend university.** The DDS was one key policy lever to help achieve the target of 20% of low SES students enrolled in higher education by 2020 and that we moved toward parity for Indigenous enrolment (a target of 3 percent of students). This has not occurred and must be addressed. A targeted package for such students which includes a focus on living support costs is critical. Funding for the HEPP program and for a full Indigenous funding program should be restored to assist universities with targeted equity and access programs. Importantly there should be no upfront financial barriers to higher education, including student living costs.

- **Addressing the current lack of transparency regarding the resourcing of teaching in our universities and other higher education providers.** The allocation of teaching funds has its roots in policy developed nearly three decades ago. Establishing a resourcing framework, negotiated and agreed between government and the higher education sector, would enable policy settings that incorporate a mix of public subsidies and student payments and that enable institutions to develop a mix of offerings drawing on their distinctive strengths.
- **Establishing an independent expert advisory body on Higher Education for government.** Recent history has evidenced the complexity of Higher Education reform. The Group of Eight welcomes the current bipartisan political support for some form of independent advisory body on Higher Education and agrees that there is merit in its establishment.

The Go8 has provided its “Priority Positions” to the Government and Opposition.

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FACT SHEET

What we deliver for Australia

- The Go8 contributes significantly to the economy. In 2014 the Go8 earned \$12 Billion – 43% of the sector
- The Go8 supports 50,000 jobs which includes 41% of the sector’s academic staff.
- In total the university sector generated an estimated \$140 Billion for Australia in 2014 and all of that was spent in Australia.
- The sector generated \$12 Billion for Australia in education export services in 2014. (Australia’s largest service export)
- The sector is therefore an essential contributor to economic growth

Research

- The Go8 spends some \$6 Billion on research each year
- 99% of Go8 research is rated world class or above
- \$2 Billion of that is spent on medical and health services research.
- The Go8 is only funded by the taxpayer for \$2.5 Billion of the \$6 Billion - that \$2.5 Billion is two thirds of all research funding to Australian universities
- The Go8 is an active participant in 82% of Australia’s Cooperative Research Centres
- Australia supports its Universities for research far less than competitor innovation nations ie Canada, the US, the UK, Europe, Israel, Singapore and New Zealand. These nations have made a commitment to invest in university research. Australia has made a commitment to reduce investment over successive Governments. That must be reversed.

The current distorted funding model

- This forces Universities to fund essential research from teaching income; an unsustainable cross subsidisation.
- Current funding does not reflect the full cost of research
- Universities must also rely on international students’ fees as their only available source of income growth
- A first step to a long-term sustainable funding model that ensures the full cost of research is funded, is to better understand the funding gaps for research and teaching and the cross subsidies that are occurring in each case

Student cohort

- The Go8 has 358,000 students – 23% of the nation’s undergraduate students and 26% of all students
- We deliver Australia 90,000 quality graduates each year
- The Go8 has some 30,000 research students and over half of all research completions are from a Go8 university
- The Go8 awards 53% of all research doctorates in Australia

Rankings

- In world rankings Go8 universities are consistently the highest ranked Australian universities
- Seven of our eight universities are in top 100 QS World University rankings
- All Go8 universities are in the top 200 institutions worldwide
- It is our high quality research which delivers the Go8 its high world rankings which in turn delivers its robust international student market
- Less or lower quality research would equal lower world rankings therefore fewer international students- damaging Australia's largest service export.

International

- The Go8 educates over 85,000 onshore International students from 156 countries
- Currently one in three international students who choose to study in Australia study at a Go8 university
- The sector relies on international students' income; that will not continue to grow if research is compromised

Strong industry engagement and innovation

- The Go8 receives 66% of all research funding from industry to Universities, *this is almost twice the rest of sector combined*
- The Go8 invests \$3 Billion annually in applied research and experimental development – *40% more than the rest of the sector combined*
- The Go8 generates 80% of the sector's commercialisation income and 56% of the sector's contract research income
- For an innovation agenda to work successfully in Australia, university research must be prioritised. There can be no successful innovative Australia without the Go8 as the bedrock.