

# Why aren't we saving a vital national asset?

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The hand-to-mouth issues of those hard hit by the pandemic restrictions are, understandably, front of mind — especially when there's potential for reallocation of that surprise \$60 billion JobKeeper miscalculation.

But, if we are to move on from this unprecedented economic shock, we need a co-ordinated national strategy, led by the federal government, to ensure that higher education is not damaged irreparably.

As the key economic driver, business has rightly received a large tranche of the government support aimed at keeping the economic engine running and people employed.

However, that business lens has largely ignored the critical role of higher education, a major national asset, in the economic ecosystem.

There has been little recognition of the sector's contribution to innovation, research and the skilling of our workforce — a workforce that will need to be technologically savvy, highly adaptable, flexible and resilient if we are to thrive in our very uncertain future.

The 38 university business schools which I represent graduate more than half of our international tertiary students and one third of our domestic students. These include many of the entrepreneurs and business leaders we will need in the post-pandemic world.

We are concerned and puzzled by the piecemeal response to date to the issues below.

Firstly, politicians, the media and general public have focused on the immediate and very important issue of getting school students back in the classroom. But what about their opportunities beyond secondary education?

Young people already have the highest unemployment rates. Past recessions have shown that, as unemployment rates soar, those who cannot earn enrol to learn.

The Commonwealth needs to provide new support for more domestic places so young people, and the thousands of other Australians whose jobs have disappeared, have tertiary education as a viable option. Additional places could be dedicated to addressing likely skills shortages and creating capacity to innovate and build businesses.

Secondly, the proposed 'safe corridors' to bring international students into Australia should be implemented as soon as is safely possible so there is at least some chance of international students getting to Australia and clearing quarantine for the second part of this year. Failure to do this swiftly will add to the devastation of our international education, which contributed \$40bn to our economy annually before COVID-19.

Thirdly, we need to encourage the international students, who are already in Australia, to remain here. Community groups, state and local governments and have stepped up to support those who have been hard hit by job losses and exclusion from JobSeeker and JobKeeper. They do however need practical, ongoing help, co-ordinated at the national level that shows how we value them for their contributions to the Australian economy.

Fourthly, there's a potential loss of 21,000 jobs as universities try to backfill huge holes in their budgets through job cuts, wage reductions and myriad other measures. Yet the federal government has ensured that universities — unlike other large businesses — are ineligible for the JobKeeper subsidy. Many casual and sessional lecturers, who are critical to the delivery of the teaching, have been laid off.

Fifthly, much of the \$4.7bn that universities put into research each year has been funded by revenue from international education. That revenue has now evaporated from a sector that is likely to take years to recover.

Many research projects have already been suspended. International researchers, who are very important to the sector, may not return to Australia to finish their work. Researchers urgently require government assistance to ensure that they can continue and not waste the work already done

A recent report for the National COVID-19 Co-ordination Commission, said that universities account for 43 per cent of the applied and translational research. That's the research targeting

real-world problems; research that benefits all areas of society; research that will be needed work out ways to improve our productivity.

Finally, infrastructure projects have been suspended as universities try to stop their financial haemorrhaging. Some people argue against universities' needing assistance, saying universities should sell off their assets and investments. But universities borrow against those assets to invest in educational infrastructure — investment which governments have neglected for decades.

Selling off the family silver now will compromise the capacity of the sector to invest in the research and skills development necessary to support economic recovery.

Universities are already using cash reserves and investments to provide hardship payments to students and to try and jobs. These are not infinite resources. Once spent they will no longer provide the stable financial base that higher education needs to move forward in ways that benefit the nation.

The Victorian government has allocated \$350 million, which will greatly assist universities in that state, but what about the rest of the nation?

There are hopeful signs: Education Minister Dan Tehan's support for additional places in short courses in national priority areas, like nursing, teaching, health, IT and science, is a start. However, it is a limited and short-term fix for a significant, long-term issue.

Our universities are intricately woven into Australia's social and economic fabric. They are anchor institutions for their communities: creating jobs, supporting businesses, and collaborating with other organisations to work on local, national and global issues. They play an important role in the development and testing of policies at all levels of government.

If nothing is done to stop our nation's higher education research and teaching from shrinking dramatically, then the future of our country will also be diminished.

*Professor David Grant is the president of the Australian Business Deans Council.*