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Productivity Commission
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Group of Eight Universities (Go8) submission to the Productivity Commission five-pillars of productivity interim reports

The Go8 consents to the publication of this submission and has no wish for any of it to be treated as confidential.

Introduction

The Group of Eight (Go8), Australia's leading research-intensive universities, are central to the nation's productivity revival. Collectively the Go8 universities are responsible for over 20 per cent of Australia's total research and development (R&D) investment, a contribution that is greater than the combined R&D investment of all Australian governments and the rest of the higher education sector.

This investment fuels innovation and productivity across the economy, delivering tangible benefits to Australians - from lifesaving medical breakthroughs to drought resistant agriculture products. It also underpins the development of a highly skilled workforce. The Go8 educates more than 120,000 graduates annually and trains half of all PhD students, including in high demand STEM fields such as engineering, health, mathematics, and computer science.

Without high quality Go8 graduates, Australia would not have the workforce that drives our economic prosperity.

Simply put, without the positive impact of research-intensive universities, Australia's productivity will not fully recover and our global competitiveness - and standard of living – will decline.

Recognising Universities in a national productivity agenda.

While the Productivity Commission's interim reports outline 15 priority areas across five pillars, a comprehensive productivity reform agenda must explicitly recognise the role of universities.

Research-intensive universities are critical to:

- Driving national R&D and innovation;
- Developing a highly adaptable and qualified workforce; and
- Enabling global engagement in areas of national strength.

The Go8 supports the direction and intent of the Commission's proposed reforms but these alone are not sufficient to drive sustained productivity growth without also addressing the role of universities as engines of productivity.

The Go8 refers the Commission to the broader productivity enhancing reforms outlined in the [Go8 submissions to Strategic Examination of Research and Development \(SERD\)](#) as well as to the [Economic Reform Roundtable](#) and recommend these be considered in the final report.

While the SERD is undeniably important, the Productivity Commission's role and the signal it sends by examining R&D as an enabler of productivity is important and should not be overlooked.

Comments on specific interim recommendations

Creating a more dynamic and resilient economy

The Go8 supports draft recommendations 2.1 to 2.3 on promoting business dynamism through improved regulatory practices and we urge the Commission to also address the growing regulatory burden on universities.

Universities are amongst the most heavily regulated sectors in Australia, subject to overlapping reporting and compliance across multiple layers of Government across education, research, national security, governance, and more. For example, the University of Queensland alone must comply with over 420 legislative and regulatory obligations.¹

New bodies such as the National Student Ombudsman and ATEC are adding to this burden, diverting scarce resources from teaching and research. This is particularly profound across the Go8 membership and acts as a counterweight to innovation and productivity.

On corporate tax reform, we support measures that incentivise business investment in R&D and innovation. Australia must lift business investment in R&D – currently at 0.90 percent of GDP, down from 1.37 percent pre-Global Financial Crisis – if Australia is to achieve the 3 percent target outlined in our decadal plan.

However, together with the Joint Group of Industry Organisations led by the Business Council of Australia, we do not support draft recommendation 1.3 to introduce a net cashflow tax of 5 per cent as it would not stimulate R&D investment or productivity².

Building a skilled and adaptable workforce

The Go8 supports the Commission's direction on building skills and qualifications for a more productive workforce.

However, there must be a balanced approach to building skills and qualifications. Jobs and Skills Australia projects that over 90 percent of new jobs by 2033 will require post-secondary qualifications, with nearly half requiring a bachelor's degree or higher.³ Go8 cautions against any approach which swings the balance towards one part of the sector over another - **a highchair to higher education approach is necessary.**

We cautiously support draft recommendation 2.1 to develop a national system of credit transfer and recognition of prior learning (RPL). While a central national platform could assist students, providers, and potentially employers – it must preserve institutional autonomy and avoid **mandatory credit transfer requirements.**

Harnessing data and digital technology

The Go8 supports draft recommendation 2.1 to establish lower-cost and more flexible regulatory pathways to expand basic data access for individuals and businesses. We also recommend a new provision to improve data access for researchers.

Integrated government data sets such as those hosted by the Australian Bureau of Statistics are for high quality research but there are bottlenecks associated with timely access. This acts as an obstacle to timely and high-quality research that underpins knowledge creation and productivity.

The Australian Government has identified artificial intelligence (AI) as a national priority to address productivity, and we support **draft recommendation 1.1 on reviewing AI regulation.** The Go8 is committed to the ethical and

¹ University of Queensland. (2025). Submission – Inquiry into the quality of governance at Australian higher education providers, 3 March.

² https://www.bca.com.au/joint_group_of_industry_organisations_statement_in_response_to_productivity_commission_report

³ <https://www.jobsandskills.gov.au/publications/towards-national-jobs-and-skills-roadmap-summary/employment-projections-for-the-decade-ahead>

responsible use of generative AI and to preparing students, researchers and staff to be leaders in an increasingly AI-enabled world.

Additional investment in AI, including R&D, will be especially important for Australia as it positions itself in the development and adoption of AI globally. **The Productivity Commission could add a recommendation in its final report for Australia to become a leading jurisdiction for AI and emerging technologies, through supporting investment in these technologies, including R&D and the workforce.**

Universities will play a central role in both developing AI technologies and preparing the workforce to use them responsibly. This will require sustained investment in teaching and research.

Conclusion

We are supportive of the direction and breadth of the reforms outlined by the Productivity Commission in its interim reports.

However, a complete productivity growth agenda must include reforms that strengthen the role of universities as engines of productivity. Research, innovation, and higher education are not peripheral to productivity - they are foundational.

I would be pleased to discuss the contents of this submission and you can contact me via email: [REDACTED] or phone: [REDACTED].

Yours sincerely

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CHIEF EXECUTIVE