**ACADEMY OF
THE SOCIAL SCIENCES
IN AUSTRALIA**

50 Years

JANUARY 2021

2021–22 PRE-BUDGET SUBMISSION

ACADEMY OF THE SOCIAL SCIENCES
IN AUSTRALIA SUBMISSION TO:

THE TREASURY

29 January 2021

The Hon Michael Sukkar MP
Minister for Housing and Assistant Treasurer
Parliament House
CANBERRA, ACT 2601

By email: prebudgetsubs@treasury.gov.au

Dear Assistant Treasurer,

Re: 2021-22 Pre-Budget Submission from the Academy of the Social Sciences in Australia

The Academy of the Social Sciences in Australia (the Academy) welcomes the opportunity to contribute to the identification of priorities for the 2021-22 Federal Budget.

The Academy is an independent, not-for-profit organisation that draws on the expertise of over 700 Fellows elected for their distinguished contributions to the social sciences. It provides practical, evidence-based advice to governments, businesses, and the community on important social policy issues; often working closely with experts from Australia's four other learned Academies. The Academy promotes understanding of the social sciences and champions excellence in research and teaching.

Rightfully, this Budget will focus on the next phase of Australia's economic recovery from COVID-19. The Academy's recommendations aim to support this goal and draw on the work of the Academy's expert Fellowship, who stand ready to assist the Australian Government with further input and advice regarding these measures.

Recommendations

1. Establish an independent income support commission to set the rate for JobSeeker and other income support payments, before the Coronavirus Supplement is phased out.

2. Extend essential financial support to Australian universities to ensure they can maintain world-class teaching, learning and research capacity until the international student market recovers, or there is time for other substantial adjustments to be made.

3. Secure Australia's future research capabilities with initiatives that support and retain early to mid-career researchers, while the pandemic response severely reduces university income.

4. Partner with Australia's Learned Academies to strengthen the Rapid Research Information Forum and ensure the sustainability of this model of independent expert advice to government into the future.

5. Introduce revenue-contingent loans to help small businesses and households affected by COVID-19 and to incentivise start-ups and SMEs to collaborate with university researchers.

6. Provide $250,000 over two years to support expansion and a national schools program for Social Sciences Week.

The Academy would welcome the opportunity to further discuss these proposals.

Yours sincerely,

Professor Jane Hall FASSA FAHMS
President

Recommendation 1: *Establish an independent income support commission to set the rate for JobSeeker and other income support payments, before the Coronavirus Supplement is phased out.*

Prior to the introduction of Coronavirus support measures in March 2020 there had been no legislated changes to JobSeeker (formerly Newstart) rates in over 20 years.[1] While the Academy commends the Government's swift response to assisting income support recipients and newly unemployed people during the COVID-19 pandemic, these measures are currently time-limited. Income support recipients should be provided with long-term certainty and a clear roadmap regarding the future of financial supports, beyond March 2021.

The recent Senate Community Affairs References Committee's inquiry into the *adequacy of Newstart and related payments and alternative mechanisms to determine the level of income support payments in Australia*, recommended for Government to collaborate with academic experts and the community sector to set a national definition of poverty [*Recommendation 1*] and to increase income support payment rates to ensure all eligible recipients do not live in poverty [*Recommendation 27*]. The Academy strongly supports these recommendations.

The Academy recommends that the Australian Government establish an independent commission to determine rates of payment and indexation for JobSeeker and other income support schemes. Such a commission should be mandated and resourced to work with independent experts to determine payment levels that balance incentives to work with dignity in living standards, while also minimising the risk of social isolation, adverse health outcomes and psychological harm to recipients and their dependents.

Recommendation 2: *Extend essential financial support to Australian universities to ensure they can maintain world-class teaching, learning and research capacity until the international student market recovers, or there is time for other substantial adjustments to be made.*

Disruption to the international student market – Australia's fourth largest export earner in 2019 – has had a significant adverse operational impact on the majority of Australia's 38 public universities. Specifically, international student fees across institutions amount to almost $9 billion per annum; over 25% of gross revenue.[2] The sharp reduction in international student

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[1] Reference: https://theconversation.com/election-factcheck-qanda-is-it-true-australias-unemployment-payment-level-hasnt-increased-in-over-20-years-59250
[2] Reference: https://franklarkins.files.wordpress.com/2020/08/shortfall-in-university-research-funding-1.pdf

enrolments and slow prospects of recovery mean that universities are having to take dramatic cost saving measures.

These measures are resulting in significant loss of highly experienced teaching and research staff, and risk real and long-term damage to the capacity of Australia's higher education sector both to recover its standing as an international study destination of choice, and its ability to deliver high-quality research and education outcomes to Australians.

The Academy strongly recommends that the Australian Government include the university sector in eligibility for future stimulus and support measures designed to minimise the impact of the economic downturn on businesses and industries that are critical to our national future.

Recommendation 3: *Secure Australia's future research capabilities with initiatives that support and retain early to mid-career researchers, while the pandemic response severely reduces university income.*

Early to mid-career researchers (EMCRs) are Australia's teaching, research and innovation engine room and provide the critical pipeline for future talent and expertise. Yet this cohort are facing disproportionate challenges as a result of the pandemic.[3,4] Reduced university revenue to support EMCRs means that many are not having contracts renewed, or that universities will not be able to provide essential funds to support research and grant applications.

The Academy strongly recommends that the Australian Government consider investing in:

- additional fellowships to support research excellence and provide job security.
- networks across the research sector to support EMCR retention and career development, particularly in an environment when face-to-face activities are limited.

Some of the most promising social science EMCRs were recognised by the Academy's 2020 Paul Bourke Awards. Their research and expertise spans some of the most pressing issues in society such as infectious disease, labour force participation, suicide prevention and constitutional recognition of Aboriginal and Torres Strait Islander peoples. Retaining and supporting talented researchers like these will be crucial in driving the nation's recovery and capacity to thrive with a healthy, vibrant society, environment and economy.

Recommendation 4*: Partner with Australia's Learned Academies to strengthen the Rapid Research Information Forum and ensure the sustainability of this model of independent expert advice to government into the future.*

Established in April 2020 by Australia's Chief Scientist and the Australian Academy of Science, the Rapid Research Information Forum (RRIF) provides a mechanism to rapidly bring together relevant multidisciplinary research expertise to address pressing questions about Australia's response to COVID-19, as they emerge, from Government Ministers.

This mechanism has provided decision makers with unparalleled access to Australia's best and most relevant experts on any given policy question and resulted in the rapid provision of over 13 succinct briefs to government addressing critical topics such as the *impacts of remote learning on educational outcomes* (Question 4), *public attitudes towards data privacy during the pandemic*

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[3] Reference: https://www.science.org.au/news-and-events/news-and-media-releases/early-and-mid-career-researchers-fear-their-careers-are-risk
[4] Reference: https://www.science.org.au/sites/default/files/rrif-covid19-research-workforce.pdf

([Question 13](#)) and the *most promising vaccines* for COVID-19 ([Question 6](#)). The RRIF and its impact on the nation has been [publicly recognised](#)by the Prime Minister, Scott Morrison.

Now established, the Academy encourages the adoption of this ground-breaking policy model into the future to ensure that decision makers are drawing on the best evidence-base possible whatever the policy question. However, contributions by RRIF members are currently self-funded and the Academy encourages the Australian Government to become a funding partner of the RRIF to support its sustainability over the long-term.

Recommendation 5*: Introduce revenue-contingent loans to help businesses and households affected by the COVID-19, and to incentivise start-ups and SMEs to collaborate with university researchers.*

The Academy recommends that the Australian Government consider revenue-contingent loans as an efficient means of delivering financial support to businesses and households affected by the economic impacts of COVID-19, and to those seeking to invest in new R&D, particularly in collaboration with universities. Such a scheme would not only support strong and viable businesses and their employees to effectively weather the downturn but would promote new investment in innovative products and services as the economy transitions.

Contingent public finance is not a new concept;[5] with the best-known example being Australia's Higher Education Contribution Scheme (HECS) through which repayments are tied to the individual's future wages or salary. Unlike HECS, revenue-related loans to businesses would be repaid as a proportion of gross business revenue and collected by the Tax Office through the *Business Activity Statement.* This would make such a scheme extremely efficient in public sector administrative terms.

Such a scheme would allow the Australian Government to provide additional support to affected businesses by means of a loan, and Government could expect to recoup all or most of its investment for other purposes, including future economic stimulus.

Specific policy considerations and examples of how revenue-contingent loans can be applied to the COVID-19 context is available [here](#).

Recommendation 6: *Provide $250,000 over two years to support expansion and a national schools program for Social Sciences Week*

Social Sciences Week was established in 2018 by the Academy in partnership with a range of social science councils and peak bodies[6] as a week long program of events and activities each September. It operates as an analogue of National Science Week and aims to increase understanding and awareness of the many insights and contributions of the social sciences, and to deepen engagement and interaction between social science researchers and teachers and members of the public. The inaugural Social Sciences Week program involved more than 40 public events around Australia. The program has grown steadily over this time and in 2020

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[5] See for example Chapman, B. 2006. *Income-contingent loans as public policy.* Available: https://socialsciences.org.au/wp-content/uploads/2017/03/2006_No2_Income_contingent_loans.pdf
[6] Founding members of Social Sciences Week include: the Academy of the Social Sciences in Australia, the Council of Humanities, Arts and Social Sciences, the Council of Deans of Arts, Social Sciences and Humanities, the Australian Sociological Association, the Australian Anthropological Society, the Australian and New Zealand Society of Criminology and the Australian Political Studies Association.

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included over 70 largely digital events and discussions involving tens of thousands of people, including several events involving primary and secondary schools.

Social Sciences Week is now coordinated by the Academy and aims to grow in size and reach to become a well-known annual fixture. To support this expansion and the development of the Social Sciences Week schools program, the Academy recommends an investment of $250,000 over two years to support:

- Support grants to local organisers to support Social Sciences Week events (100 x $500 grants p.a.; $100,000 over two years)
- A part-time program coordinator with responsibility for engaging with schools and teachers to increase the scope and reach of the national schools program.

Deliverables for this funding contribution by 2022 would include an expanded Social Sciences Week program exceeding 200 national events and a national schools program engaging at least 50 teachers and classrooms.