

SUBMISSIONS TO THE STRATEGIC EXAMINATION OF RESEARCH AND DEVELOPMENT PAPERS

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SERD PAPER 1

National Coordination for RD&I Impact

The paper presents a model for national governance. It outlines focus areas to enable system-wide performance management and evaluation to support broader societal and economic outcomes.

NATIONAL COORDINATION FOR RD&I IMPACT

What aspects of the model would work well?

RUN supports the intent to provide greater clarity, consistency, and long-term focus in national priorities, to improve translation and impact across the research and innovation landscape. RUN believes there is a strong case to strengthen national coordination in Australia's RD&I system so that it provides greater benefits to all Australians. In the design of effective policy that appropriately considers RD&I activity occurring outside of our largest cities, RUN would urge the utilisation of the 10 policy design principles adopted by Jobs and Skills Australia in the recent Jobs and Skills Roadmap for Regional Australia report.

On the issue of aligning the RD&I system to the 5 nominal focus areas, RUN supports the prioritisation of the 5 national RD&I focus areas over a 10+ year horizon, however mechanisms that engage bipartisan political support are essential to maintain continuity across electoral cycles. RUN also recognises that the focus areas are primarily place-based issues, with regional considerations being an unavoidable – yet seemingly overlooked – aspect of the focus areas. However, regional Australia's ability to meet these growing RD&I challenges/ opportunities while participating more fully in the national R&D ecosystem is limited by the inconsistent availability of research infrastructure, research-trained workforces, research cultures and scaled research capabilities located outside of our largest capital cities. Historically, Australia's RD&I workforces, infrastructure and funded activity have become ever-increasingly concentrated within the CBDs of our three largest capital cities. RUN believes that it is not in the national interest for these historic RD&I concentrations to deepen further. As such, world-class regional research universities will need to play a stronger role in Australia's long-term RD&I interests. National focus areas and priorities should then explicitly connect to regional development opportunities, strengthening translation into community and industry outcomes across Australia's diverse regions.

Universities with a strong regional presence are well-positioned to deliver impact in these focus areas through deep local partnerships and applied research expertise.

While education is not explicitly listed among the proposed RD&I focus areas, it is a critical enabler of innovation capability and workforce development. Consideration should be given to education—particularly research into education systems and pedagogy—be recognised either as a cross-cutting enabler or a potential focus area in its own right.

On the issue of investment and evaluation frameworks, RUN has no objection to the initiatives being proposed, and supports the objective of reducing administrative burden in RD&I activity.



NATIONAL COORDINATION FOR RD&I IMPACT

What could be improved and how?

On the issue of public investment into the focus areas, RUN welcomes the emphasis on translation, but limiting funding to one collaboration per sub-goal may constrain innovation diversity. Flexibility is needed to adapt to emerging challenges or shifts in relevance over time. The proposed 50 per cent co-investment requirement may also place unsustainable pressure on smaller or regional universities, given their funding constraints. Many Australian businesses are risk-averse and undercapitalised, limiting their ability to co-invest. Additional public support or incentives may be necessary to enable broader participation. As such, RUN welcomes any attempts to incentivise greater involvement of research stakeholders collaborating with universities. RUN supports successful bids meeting the criteria of 'showing fairness and equity, including promoting both participation in and leadership by First Nations peoples and other underrepresented groups'. RUN acknowledges that underrepresented groups have been historically excluded from Australia's metro-centric RD&I system. If the objective is to genuinely lift RD&I participation and leadership amongst underrepresented groups, then the communities served by regional universities would be the obvious starting point.

On the issue of Commonwealth coordination of focus areas, RUN believes the lack of any dedicated regional perspective on the cross-jurisdictional advisory group to be limiting feature of the proposal, particularly with regard to how the 5 (primarily regionally-based) focus areas would be addressed effectively otherwise. Without a dedicated regional perspective, it will be difficult to see how the SERD process would arrive at anything other than another metro-centric RD&I system characterised by deepening concentrations of RD&I effort that remains largely exclusive of underrepresented Australians. The Australian Universities Accord – which found that Australia's future prosperity relies upon redistributing the weight of Australia's university services more equitably towards

regional Australians – provides a model for the nuanced regional outcomes that can be achieved via regional representation on national interest advisory bodies. The proposed coordination will also require conflict of interest safeguards embedded within advisory and decision-making structures to ensure transparency and trust.

On the issue of maintaining investment in foundational RD&I, RUN supports basic and applied research remaining an integral and valued component of a national RD&I system. RUN supports greater investment in research infrastructure, noting that regional Australians' access to world-class research facilities is often diminished and inconsistent. A truly vibrant research base is one that activates the full range of research potential occurring at all of Australia's universities, particularly as it relates to the primarily regionally-based focus areas.



SERD PAPER 2

Scaling the System: A Proactive Approach to Scaling the RD&I System Issues Paper

The paper presents a framework to radically accelerate and strengthen Australia's research, development and innovation (RD&I) system with a focus on how we create value, including economic impact, from our efforts.

SCALING THE SYSTEM: A PROACTIVE APPROACH TO SCALING THE RD&I SYSTEM ISSUES PAPER

What aspects of the framework work well?

RUN supports the issues identified by the Issues Paper and the responses that should be pursued as an approach to scaling Australia's RD&I system. However, a lack of detail on how this scaling would apply to Australia's full RD&I ecosystem (beyond that of existing concentrations) did not seem to be a focus of the paper.

On the issue of growing investment in Australia's innovation system, RUN supports the initiatives that seek to expand domestic/international industry linkages to national RD&I capabilities. RUN supports Austrade connecting national coordination focus areas with international corporates/investors, so long as the world class research occurring at all Australian universities is promoted. RUN believes further international RD&I collaboration/investment would be realised via Australia's participation in global research programs (including but not limited to Horizon Europe). RUN also acknowledges the value of a national objectively ranked measure of research quality (subsequent to ERA) that

would allow smaller/regional universities to continue demonstrating to international stakeholders that world-class research occurs at all Australian universities.

On the issue of connection across Australia's RD&I system, RUN supports a more aligned RD&I system coordinated behind national focus areas. RUN supports the proposed initiatives outlined by the Issues Paper as mechanisms that promote connectivity. These initiatives must be pursued in a way that does not promote even greater concentrations within the research ecosystem. When looking to untap greater RD&I potential, diversity and productivity, regional Australia should be the place to start.

On the issue of growing the commercialisation of Australian R&D, RUN supports the initiatives proposed for growing the commercial impact of world class research occurring at Australian universities. RUN urges a wider recognition of commercial outcomes, noting that traditional IP-driven commercialisation is only one pathway. RUN universities deliver impact via applied research implemented directly with partners, producing measurable economic and social benefits. As primarily place-based, highly applied research universities, RUN understands the value of talent mobility between industry and academia, and as such supports greater incentivisation here. RUN also advocates for the expansion of the Trailblazer University Program as an effective demonstration of the impact that industry and academia can achieve when supported by Government. RUN supports greater pathways for regional researchers to engage with mobility and entrepreneurship opportunities, without having to relocate to Australia's largest cities to do so. When incentivising commercialisation initiatives/opportunities, RUN urges the Government to support a higher-risk, fail-fast approach to public investments that engages academia with industry early in the research cycle.



SCALING THE SYSTEM: A PROACTIVE APPROACH TO SCALING THE RD&I SYSTEM ISSUES PAPER

What could be improved and how?

On the issue of growing Australia's proportion of globally focussed innovation-led businesses, RUN believes the Issues Paper provides some worthy considerations and proposals. However, it remains unclear how those initiatives linked to SME ambition will be put into practice. For instance, how is ambition measured? Is a lack of ambition a primary barrier to the low numbers of SME's transitioning to a large business category? How do you incentive ambition?

It is also important to consider that Australia's business economy differs fundamentally from the business economies of comparator nations, and as such, caution should be applied when seeking to consider or retrofit international models to Australian contexts. RUN does agree that Australia needs to support and expand start-ups and SMEs, but the RD&I system must be designed to support this expansion wherever the opportunity occurs, across the full breadth of Australian place-based business and industry.



This is particularly important when considering the pathways and opportunities for First Nations founders. To elevate First Nations participation throughout Australia's RD&I system, approaches must be designed to meet First Nations Australians and First Nation communities where they are situated, ensuring that research opportunities are accessible, and grounded in place-based Indigenous perspectives. Approximately 60 per cent of all First Nations Australians live outside of our capital cities, where RD&I activity, infrastructure and career opportunities are weakest. If there is an objective to expand activity then the national RD&I infrastructure, capabilities and workforces require greater diversification and decentralisation from the concentrations that have historically developed.

On the issue of Australia's inadequate skills base to scale businesses via R&D, RUN advocates an approach that enables talent to be developed across the country, not just within the CBDs of the largest cities. Achieving this will require a liveable PhD stipend (supported by Government) that would enable all Australians to participate, not just those privileged by circumstance or geography. A more targeted migration scheme that supports high-calibre PhD candidates (in national Focus Areas) towards Australian RD&I bodies, with a pathway to permanent residency, would assist in building an adequate skills base, particularly in the regions. RUN is therefore disappointed to see that the Research Training Program (RTP) Grant Amount for RTP scholarships to overseas students remains capped at 10 per cent. This causes significant impediments for regional/smaller institutions in expanding their international collaboration opportunities due to the small amount of RTP funding received. RUN believes that an expanded percentage cap for regional/smaller institutions will help to grow the RD&I skills base outside of our largest cities.

SERD PAPER 3

RD&I Incentives: Incentivising Breakthrough Innovation and Ambitious R&D

The paper presents ways to enhance research, development and innovation incentives to foster greater ambition. It sets out how incentives, including the R&D Tax Incentive, can be better directed to support growth and achieve greater economic and social impact.

RD&I INCENTIVES: INCENTIVISING BREAKTHROUGH INNOVATION AND AMBITIOUS R&D

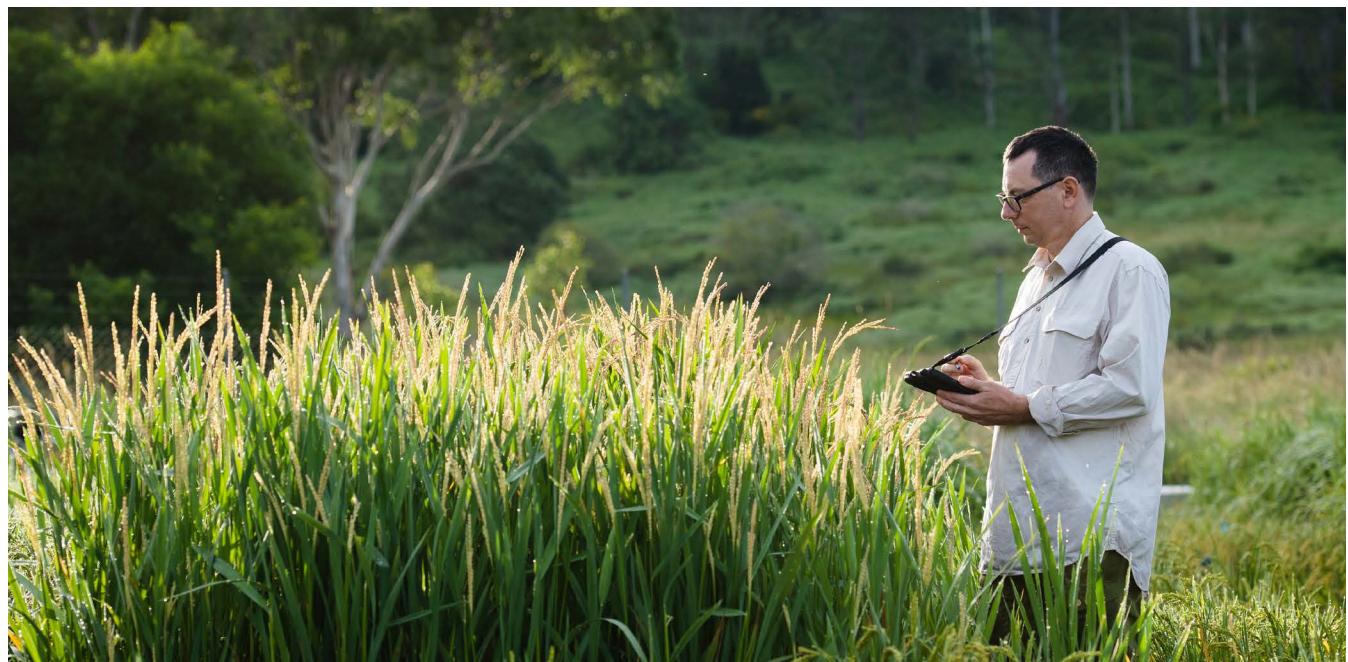
Tell us which of our proposals will work well

On the issue of lack of funding for proof of concepts, RUN agrees with the case for greater supports that increase startup rates and speed to market, and supports the initiatives proposed. In particular, RUN supports the inclusion of proof-of-concept funding to help bridge the gap between research and commercial application. These grants are critical for de-risking early-stage innovation and enabling translation.

On the issue of First Nations led RD&I businesses, RUN would support the proposed establishment of a network of pre-accelerators for First Nations founders across Australia. However, this network must meet First Nations Australians/communities where they are situated, ensuring that RD&I opportunities are accessible, and grounded in place-based Indigenous perspectives. Approximately 60 per cent of all First Nations Australians live outside of our capital cities, where RD&I activity, infrastructure and career opportunities are weakest. Any pre-accelerator network for First Nations founders must consider the importance of regionality and on-country activity.

On the issue of lack of access to capital, RUN supports the case for growing the attractiveness of the Australian startup and spinout ecosystem to investment. Australia continues to face challenges in scaling tech start-ups in particular, due to limited access to late-stage capital and intense global competition. A more targeted national strategy is needed to support scale-up, protect IP, and retain talent. Australians should not have to consider offshore relocation (or relocation to a major Australian city) to access venture capital. As such, RUN supports the initiatives being proposed by the Issues Paper.

On the issue of limited RD&I active SMEs evolving into large businesses, RUN supports the initiatives that seek to promote greater rates of transition. As with all aspects of the RD&I system however, these initiatives must be pursued in a nuanced way as to avoid even greater concentrations of our research ecosystem being confined within the CBDs of Australia's largest cities.



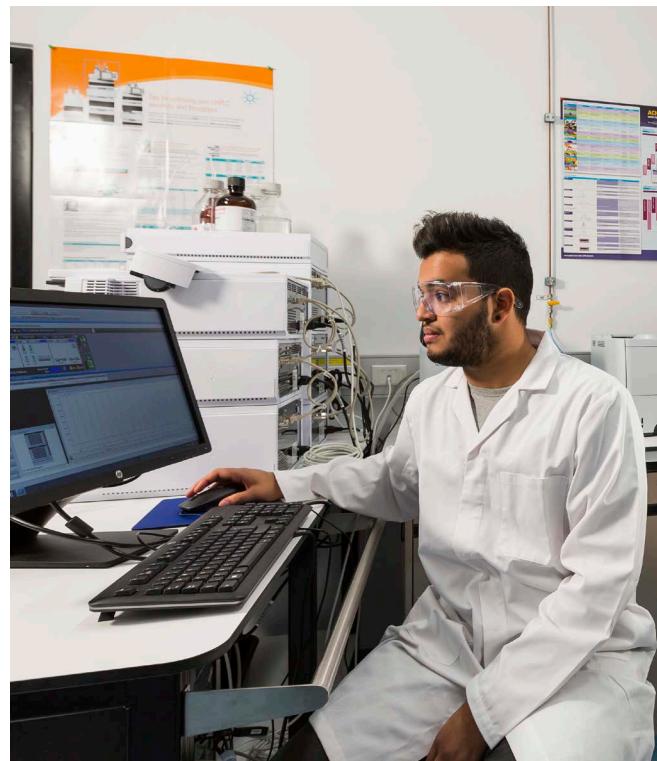
RD&I INCENTIVES: INCENTIVISING BREAKTHROUGH INNOVATION AND AMBITIOUS R&D

What could be improved and how?

On the issue of lacking entrepreneurial skills or networks, RUN agrees there is a case to build Australia's stock of entrepreneurial knowledge alongside creating greater opportunities for emerging founders to network. RUN acknowledges that many of the skillsets of an effective entrepreneur are inherent and/or attitudinal and are therefore more difficult to 'teach'. A focus on international partnership building or targeted talent acquisition should therefore be considered. RUN supports the provision of resource directories to founders/startups and the creation of new networking platforms. Accelerators and pre-accelerators are valuable tools for networking and commercialisation, but a broader cultural shift is needed to encourage more researchers to pursue commercial pathways. Many researchers are driven by public good rather than commercial outcomes, and support structures must reflect this diversity of motivation.

On the issue of incentives and support for spinouts/startups, RUN supports the initiatives that seek to increase the rate of university spinout generation via mentorship and incentivisation. However, RUN believes that this focus must not come at the expense of traditional blue-sky research. The importance of discovery research is often underestimated, despite it frequently being the catalyst for subsequent applied and commercialised research outcomes. RUN believes there should be increased focus upon, and a greater risk tolerance towards, basic/discovery research. The proposal to expand mentorship is worthy, but the availability of experienced mentors in Australia may be limited. Consideration should be given to how this can be scaled sustainably, perhaps through international partnerships or targeted talent attraction.

On the issue of declining investment by large business undertaking RD&I, RUN holds the belief that it will always be difficult to encourage any significant step in business investment in RD&I if the Government is unwilling to do so itself. As a percentage of GDP, the Government's expenditure on RD&I has almost halved since the turn of the century. RUN believes more private investment can be leveraged from greater government investment. RUN also acknowledges the difficulty in encouraging business and industry towards investment in RD&I national priorities areas if/where there is limited alignment to the interests and directions of free market businesses or industries. Australia must ensure that the focus area priorities not only align to the national interest, but to shifting commercial interest too. Australia must provide the right mix of incentives to allow business to conduct the RD&I that aligns to their specific interest.



SERD PAPER 4

Investment and Capital: Growing Investment and Capital for RD&I

The paper presents opportunities to grow investment and capital in Australian research, development and innovation. This includes ways to increase the availability of venture capital to support startups and scaleups and reduce barriers to funds choosing higher Australian private equity exposure.

INVESTMENT AND CAPITAL: GROWING INVESTMENT AND CAPITAL FOR RD&I

RUN's expertise is not relevant to SERD Paper 4 and as such RUN did not respond to this paper.

SERD PAPER 5

Foundational Research

The paper focuses on upholding quality research, while reorienting the system to engage with national priorities. It also looks at how we can better use knowledge to achieve economic, social and cultural outcomes.



FOUNDATIONAL RESEARCH

Which of the proposals work well?

RUN acknowledges the importance of sustainable foundational research and supports the proposals to protect and support curiosity-led research as a pillar of innovation through sustainable funding models. RUN welcomes a premium rate of indirect costs support (for projects within the pillar focus areas), so long as this is additional funding, and not at the expense of existing funding provisions. This would otherwise risk important non-pillar research (such as humanities, arts and culture) being eroded to the detriment of the clear 'social and cultural' objectives of Paper 6. RUN supports more simplified grants processes that reduce regulatory burden and administrative overheads. RUN does hold concerns if new provisions enable discretionary, immediate Ministerial intervention into national research funding arrangements, unless such intervention involves supplementary funding while preserving existing settings. Our research systems must retain principles of objectivity, independence and isolation from short-term political interference.

RUN supports reform incentives to balance focus on research impact and academic outputs but would hold concerns if the value of publications and journals were devalued, noting that these are vital discovery audiences. Similarly, RUN supports a broadening of research training to support diverse career pathways and align with national workforce priorities, while noting that the current nature of the academic EBA landscape make university-industry mobility problematic. A bigger problem remains the PhD stipend rate, which sits beneath the Henderson poverty line. Until this is addressed at a national level, PhD stipend rates will continue to be a barrier to cross-sector mobilisation of talent between industry and academia.

RUN supports long-term funding and strategic planning for national research infrastructure, such that it is designed to distribute benefits to a broader base of younger, smaller

and emerging RD&I participants without accelerating further concentrations of research infrastructure/capacity to a limited number of established providers. There is a clear national interest in building the research infrastructure – and with it, the research capabilities – of regional universities conducting high quality, place-based research in pillar priority areas that benefit the diverse industries, economies and communities of regional Australia.

RUN welcomes the provision of support to universities to unlock valuable IP and provide industry-ready solutions. RUN acknowledges that historically, commercial outcomes are more difficult to achieve for smaller and/or regional universities which are nonetheless producing important high-quality innovation outcomes in national priority areas. RUN would welcome a more coordinated, national approach to IP support and resourcing that enhances the IP and commercialisation outcomes of the world class innovations already occurring at all Australian universities.



FOUNDATIONAL RESEARCH

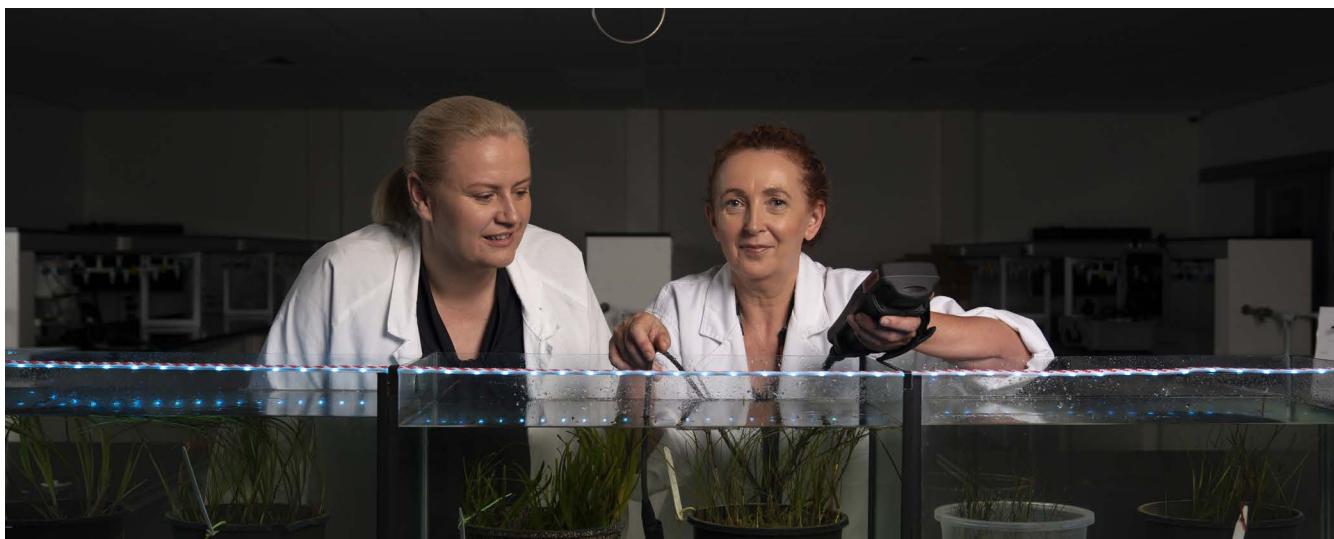
What could be improved and how?

RUN holds legitimate concerns on the issue of coordinating institutional specialisation through reformed funding and policy settings, accomplished in part by aligning higher education policy settings with more purposeful-led R&D settings.

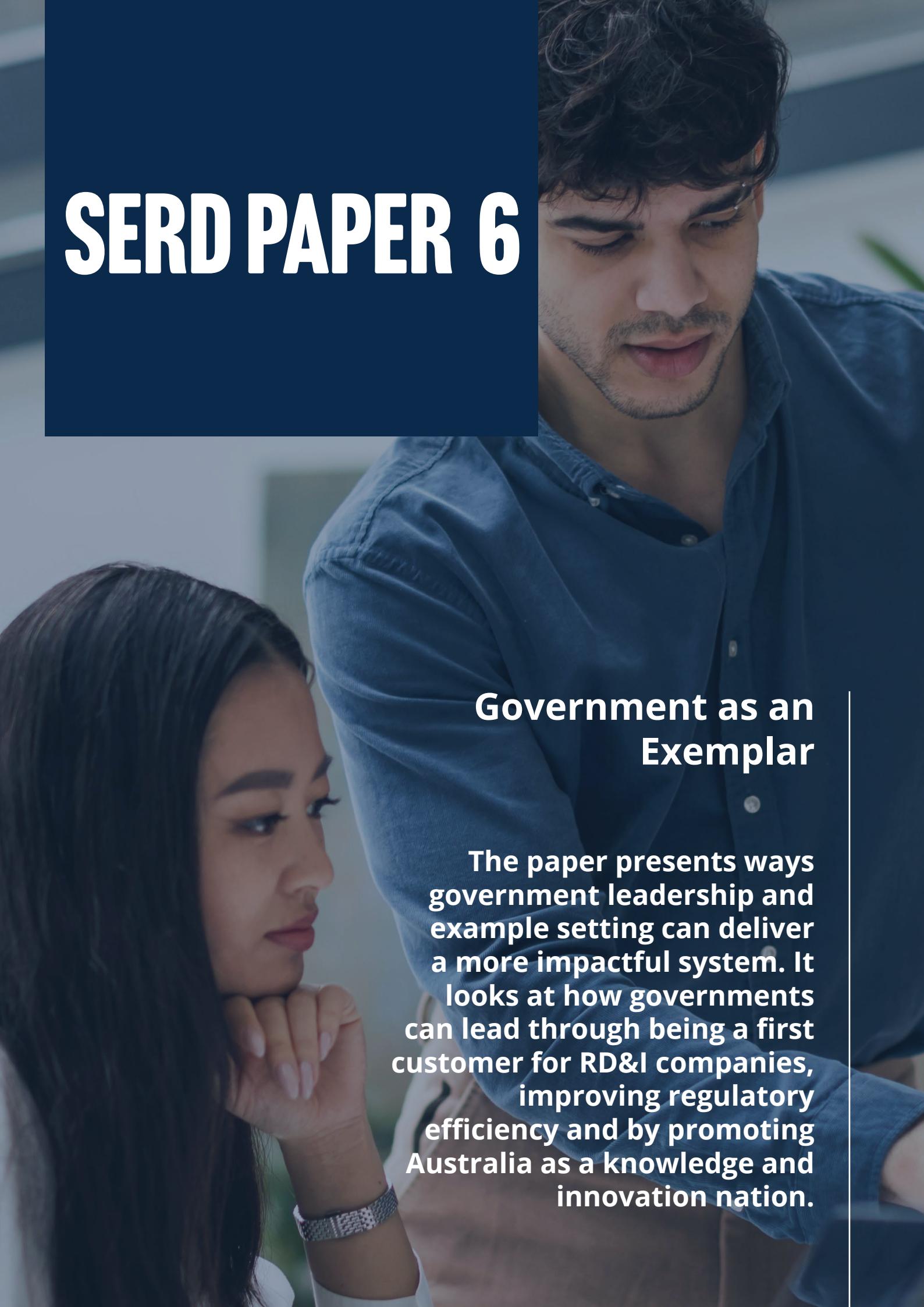
RUN acknowledges the case for greater coordination and institutional specialisation at a national level, to address any further fragmentation or avoidable duplication/competition between our universities. Within the communities and economies of metropolitan Australia serviced by multiple universities, this makes sense and is conceivably achievable without RD&I service gaps emerging between overlapping provider coverage. However, limiting institutional research specialisations at regional universities – who are frequently the sole provider of RD&I services to the diverse regional communities and industries each serve – will likely elicit unintended and negative consequences. RUN would caution against a reform pathway that entrenches outdated metrocentric perceptions of regional university research capabilities existing to serve narrow ‘rural’ bases such as agriculture or mining alone. While mining and agriculture are vital pillars to the research strengths of many regional universities, it must be recognised that regional economies and regional industries are incredibly diverse, and

the social missions of regional universities require them to be responsive to the broad range of RD&I needs of the regions they serve.

RUN universities conduct world-class research in fields beyond the traditional ‘rural’ fields, including geology, earth and environmental sciences; health, medicine and neurosciences; and astronomical and space sciences. Indeed, the five National Focus Areas are all primarily place-based within Australia’s regions. The existing metro-centric concentrations of research infrastructure, capabilities, activity and research workforces must be reconfigured such that regional universities are better enabled and empowered to respond to the broad, place-based national focus areas of Defence, Health, Energy, Agriculture and Resources. RUN holds concerns that a one-sized-fits-all national approach to institutional specialisations may limit and narrow regional university’s ability to service the diverse RD&I needs of regional Australians and regional industries, which would be counter to national interest. RUN would instead advocate for a differentiated and more nuanced approach to the national specialisation reform process when applied to regional universities. RUN would not support the emergence of teaching-only universities as an outcome of this reform process.



SERD PAPER 6



Government as an Exemplar

The paper presents ways government leadership and example setting can deliver a more impactful system. It looks at how governments can lead through being a first customer for RD&I companies, improving regulatory efficiency and by promoting Australia as a knowledge and innovation nation.

GOVERNMENT AS AN EXEMPLAR

Which of the proposals work well?

RUN supports the case for Australian governments coordinating to become more effective exemplar customers of Australian innovation, and supports the approaches being proposed. Involving the collective buying power of local governments for RD&I products/services should be included as an additional focus of this process, alongside that of State and Commonwealth levels of Government. A more robust, vibrant and responsive RD&I system is one that involves smaller, regional and/or emerging RD&I participants more fully, and allows them to grow. As such, RUN advocates that a regional focus to RD&I product/service procurement across all levels of Government be a deliberate feature of this proposal.

On the issue of strengthening the clarity of identity and role of publicly funded research agencies (PFRAs), RUN supports the objective and the approaches being proposed. The RD&I activities of universities are not isolated from that of PFRA activity, and benefits to the broader RD&I ecosystem can arise from a more coordinated PFRA system aligned to national priorities. Care should be taken, however, to ensure that a more coordinated and aligned PFRA system does not come at the expense of the competitiveness of smaller, regional and/or emerging RD&I participants to realise success and growth in national grants processes. It is in Australia's national interest that smaller, regional and/or emerging RD&I participants be able to compete and participate and grow within our RD&I landscape, and as such, approaches that further entrench RD&I concentrations towards larger participants should be avoided.

On the issue of excessive and non-aligned rules and regulations across the Commonwealth and between jurisdictions, RUN supports the overwhelming case for change, and many of the approaches being proposed. Again, a

more robust, vibrant and responsive RD&I system is one that involves smaller, regional and/or emerging RD&I participants more fully. The current higher education and research regulatory frameworks are excessive, frequently and unnecessarily duplicative, and are becoming increasingly unsustainable for those smaller and/or regional institutions whose distinct social missions require diverse research activity in unscaled operating environments. The ever-compounding magnitude of regulatory burden disadvantages smaller and/or regional providers in particular, which leads to a further deepening of existing RD&I concentrations towards the largest participants who are more able to resource this growing burden. As such, RUN supports the proposals to alleviate the regulatory burdens associated with participation in Australia's RD&I systems as it may allow smaller, regional and emerging RD&I participants to grow and diversify our RD&I landscape on a more levelled playing field.



GOVERNMENT AS AN EXEMPLAR

What could be improved and how?

On the issue of boosting Australia's position as an RD&I destination, RUN supports the case for Austrade proactively connecting the national coordination focus areas, and our national RD&I participants, with international corporates and investors. These international audiences must importantly include international university partners as well. In doing so however, Austrade must ensure that it is promoting the world class research occurring at all Australian universities, not just a small handful of large institutions. Historically, there have been instances where Austrade have been shown to favour the promotion of only a limited selection of Australia's world class research universities, to the detriment of a truly national approach to their mandate.

There are linkages between the promotion of Australia's position as a desirable RD&I destination, and the issue of measuring RD&I performance to better capture outcomes and impact. Previously, RUN universities have effectively utilised the outcomes of the former Excellence in Research Australia (ERA) ranking outcomes to demonstrate to international audiences that important world-class research is being undertaken outside of our largest capital cities, across regional Australia. For many years, these objective, evaluative

national rankings of research quality have been effective in driving new international research collaborations between regional universities and international partners in many fields of research that align directly to the proposed national focus areas today.

It has been some time since Australia last conducted an objective, evaluative ranked measure of institutional research quality, following the cessation of ERA. A replacement measurement tool – the Research Insights Capability – is now being proposed by the Australian Research Council yet disappointingly, it lacks any component of objective and evaluative ranking of quality, which significantly diminishes its value as a tool to drive important global research collaborations. RUN believes that this proposed new measurement tool will have an erosive effect upon broader efforts to shift Australia's (university) research concentrations to a more diversified and vibrant base of national RD&I capabilities. RUN advocates for the introduction of a research evaluation exercises that evaluates quality, more so than quantity, as to enable smaller, and newer universities to demonstrate that the research conducted by them is indeed of unequivocal standard.





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