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## Submission of the University of Technology Sydney to the Australian Government's Economic Reform Roundtable

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Thank you for the opportunity to contribute to the Economic Reform Roundtable. The University of Technology Sydney (UTS) supports the Australian Government's agenda to build consensus on long-term economic reform, with a focus on building economic resilience, improving productivity and strengthening budget sustainability.

As Australia's preeminent university of technology, UTS is tackling critical skills shortages in healthcare, digital and IT-related professions, and shaping the workforce of the future. Our globally ranked expertise in artificial intelligence and data science (2nd in Australia, and 36th globally by QS) underpins our teaching and research capabilities and our contribution to future productivity gains. UTS is also a strong advocate for the catalysing benefits of place-based innovation precincts and is a proud foundation partner of the Tech Central Innovation District/Precinct.

Our submission offers two practical proposals to drive productivity gains that will advance the national interest.

### 1. Reimagining the national architecture of Research and Development (R&D) in Australia

**The challenge:** Other nations are realising the economic and societal value of their research more than we are. This disconnect is not due to a lack of research quality—it is due to the misalignment of our industry profile, policy settings, and investment incentives. Australia has not primed itself to take full advantage of the tremendous potential that exists within its universities to support innovation in the broader economy.

The structure of Australia's economy presents a fundamental challenge to research translation. It is well known that most Australian businesses are micro or small enterprises (with 0–4 employees) and very few invest meaningfully in R&D. This stands in stark contrast to many other advanced economies, where large R&D-performing companies play a central role in translating public research into products, services, and productivity gains.

UTS, like many of its peers, has made significant internal investments and developed innovative approaches to close the translation gap and support research programs with translation potential. But these efforts are increasingly constrained by the financial pressures facing the university sector and cannot be scaled without broader structural reform.

**UTS proposal:** The Australian Government's *Strategic Examination of Research and Development* (SERD) is underway and should remain central to the Government's deliberations on productivity. Drawing together key findings and ensuring policy coherence is critical to reimagining the national architecture of R&D in Australia. In our submission to the SERD, UTS called on the Government to bridge the translation gap through smart policy, targeted funding and better alignment between research strengths, industrial capability and appropriate infrastructure and programs of support.

We urge Roundtable participants not to overlook the benefits of a re-shaped R&D and innovation system that has the potential to deliver prosperity for all Australians through:

- uplifts in workforce productivity and real wage growth,
- increased global investment, bringing more jobs and export earnings, and
- innovative solutions to societal problems, helping enhance quality of life while alleviating budget pressures.<sup>1</sup>

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<sup>1</sup> Strategic Examination of Research and Development: Discussion Paper ('The case for R&D', page 11).

To achieve the desired future state innovation eco-system, the Government must act to:

- Recognise in the future ecosystem the current strengths, particularly in alignment with the needs of the Technology Readiness Levels from basic research to fully translated intellectual property.<sup>2</sup>
- Acknowledge and maintain the value of fundamental long-term research that future-proofs the R&D system.
- Recognise the structural funding issues and both the strengths and opportunities this presents.
- Strategically focus and position the national research agencies alongside the university sector to complement the delivery capacity to industry.
- Acknowledge the lack of SMEs with capacity to undertake R&D at a meaningful scale (the “missing middle”) and design targeted approaches to sectoral support and augmentation through policy and incentivisation.
- Continue to support creativity and innovation in the sector, built-in redundancy and diversity of approaches.

We must aim for a dynamic, self-sustaining system that translates knowledge into impact through deep collaboration between universities, industry, and government, where each part of the ecosystem has the capacity and resources to maximise the benefits of the system. It must also be underpinned by robust infrastructure, enabling policy, sustainable funding and a skilled, adaptive workforce. Universities are currently carrying the bulk of Australia’s research effort, and the SERD review presents a critical opportunity to incentivise deeper engagement and investment from government, industry and community sectors to bolster our effort.

## **2. Meeting future skills needs through tertiary harmonisation that amplifies the strengths of both VET and Higher Education sectors**

**The challenge:** Through the *Australian Universities Accord* process, the Australian Government set an overall tertiary attainment target of 80% of working aged people by 2050. The Government estimates achieving this target would add \$240 billion to the Australian economy by 2050, as well as increasing median incomes and reducing lifetime social security costs<sup>3</sup>.

**UTS proposal:** The *Australian Universities Accord Final Report* underscores the importance of a more harmonised tertiary sector to achieve the tertiary attainment target and meet future skills needs. As well as improving access for underrepresented groups, it will make it easier for people to achieve a tertiary qualification, allowing students to seamlessly acquire the knowledge, skills and experience required for today’s workforce and into the future.

UTS welcomes the *Tertiary Harmonisation Roadmap* produced by Jobs and Skills Australia. The focus must be on maintaining a broad education base across areas of importance to the future economy both at VET and university level, while improving the way in which people move through the higher education system into work and through periods of transition. We urge Roundtable participants to focus on whole-of-system collaborative models of learning that will support pathways between higher education and VET, particularly in those sectors undergoing transformation such as in net zero, digital and the care economy.

### **Further information**

UTS is a member of Universities Australia and the Australian Technology Network of Universities and we also support the ideas and proposals outlined in their Roundtable submissions. Should you have any questions regarding this submission, please contact Danielle Woolley, Head of Government Relations at UTS ([danielle.woolley@uts.edu.au](mailto:danielle.woolley@uts.edu.au)).

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<sup>2</sup> The Technology Readiness Level (TRL) scale tracks the maturity of a technology from basic research (TRL 1) through to translation and out to commercial deployment (TRL 9).

<sup>3</sup> 2024-25 Budget, Australian Universities Accord Budget Summary