

Senate Standing Committees on Economics  
Parliament House  
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### **Senate Inquiry into the Future Made in Australia Bill 2024**

Universities Australia (UA) welcomes the Government's Future Made in Australia policy and appreciates the opportunity to provide input into the Senate Economics Legislation Committee's inquiry into the provisions of both the Future Made in Australia Bill 2024 and the Future Made in Australia (Omnibus Amendments No. 1) Bill 2024.

The policy represents an important step in ensuring Australia is globally competitive through the energy transition to net zero, as well as creating robust industries and supporting a skilled national workforce.

Our members, Australia's 39 comprehensive universities, will play a key role in supporting the Government to deliver a Future Made in Australia, with skills and research central to its success. There is no doubt that there will be challenges along the way in delivering this program, such as building a skilled labour force in the required areas, finding and bringing in new local and global appropriate partners, gaining community support for building essential infrastructure and becoming competitive in manufacturing areas where Australia currently is behind other nations.

Australian universities house the expertise to address these challenges, to support Australia in the clean energy transition and to grow advanced manufacturing beyond the five priority areas outlined in the program. The job creation that this policy intends to deliver at scale will require Australian universities to deliver these higher order skills.

Success in delivering these skills, capability and innovation at scale needs a thriving and sustainable higher education sector. While our members stand ready to support the delivery of this critical policy, we need funding and policy stability to protect the fundamentals of our research ecosystem. Our research sector is suffering from decades of historic underinvestment. Australia invests 1.68 per cent of GDP in research and development, well below countries like the US and Germany, with strong manufacturing base and sovereign capabilities, who invest more than 3 per cent of GDP in research and development.

Concurrently, the crackdown on international students is further destabilising universities at a time we are being asked to do more. We need a strong and robust university system to deliver opportunities, success and prosperity for all Australians, including through the delivery of a Future Made in Australia. We have the people, we have the knowledge, but we lack the investment to create a future manufactured in Australia.

UA notes and welcomes the Government's Strategic Examination of R&D, a process our members will be engaging with constructively. However, it does not solve the challenges the sector is facing now. Critically, the timeframes for the Strategic Examination suggest that the critical support the research sector requires is likely to be absent from the next two Commonwealth Budget cycles.

Turning to the Bills, while it is important that the Government is making a strong commitment (through this legislation) to the laudable aim of unlocking private investment to support Australia's net zero transformation, the Bills do not facilitate this, beyond existing Ministerial administrative powers.

A clear articulation of the National Interest Framework is valuable, however, enshrining this in primary legislation creates significant rigidity which may prevent (or at least significantly delay) the application of the lessons which will be learned over the course of the implementation of the Future Made in Australia policy.

A reasonable middle ground may be to simply establish the National Interest Framework in the primary legislation and defer the details (as currently articulated) to a more adaptable legislative instrument. Similarly, the community benefit principles would also appear to benefit from a greater degree of flexibility than primary legislation affords. All of this detail could potentially be addressed in Rules as set out in section 15 of the Bill.

These Bills do not articulate the value of Australian research in driving Australia's net zero transformation and the role of our university sector in conducting that research, in partnership with industry.

A clear incentive for industry to collaborate with universities (and the broader research sector) could act as a significant catalyst for the targeted innovation required to drive this transition, while leveraging the significant investment in research capacity already made by our universities and the Government (including through the R&D Tax Incentive). Formalising that connection could act as a significant force multiplier drawing in funding from multiple sectors to work together on this existential global challenge.

Yours sincerely



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CEO, Universities Australia