



The Group of Eight Limited
ABN 98 089 687 990

GPO Box 139
Canberra ACT 2601
Level 4, 10 Moore Street
Canberra ACT 2600
Australia

t: +61 (0)2 5123 6700
www.go8.edu.au

10 July 2024

Joint Standing Committee on Trade and Investment Growth
PO Box 6021
Parliament House
CANBERRA ACT 2600
E: jsctig@aph.gov.au

Go8 Submission to the Inquiry into the Understanding and Utilisation of Benefits under Free Trade Agreements

The Group of Eight (Go8) submission to the **Inquiry into the Understanding and Utilisation of Benefits under Free Trade Agreements** represents the views of the Go8 network, and our members may make their own, more detailed submissions.

The Go8 consents to this submission being published and does not wish any of it to be treated as confidential.

Collectively, Go8 universities:¹

- Are consistently the highest ranked Australian universities across the major international ranking systems (Academic Ranking of World Universities; the Times Higher Education World University Rankings; and the QS World University Rankings);
- Educate around one in three international students who choose to study onshore in Australia;
- Account for more than half of all Australian papers with international collaboration; and
- Attract industry funding for research that is twice that of the rest of the sector combined.

As such, Go8 universities have extensive global connections, through research and academic collaborations and partnerships, often of long-standing duration. These connections support the nation to be engaged and active in global knowledge trade routes and shape and develop the next generation of thought leaders, all of which makes a significant contribution to the economy and the intellectual and knowledge capacity of our nation.

Free Trade Agreements (FTAs) are important tools by which Australia can engage with our partners for both immediate and longer term, strategic outcomes.

Whilst the primary domain of FTA's remain largely services based and transactional, they are also, at the same time increasingly important in signaling our values and strategic alignment, boosting innovation and outlining aspirations for longer term relationship development.

The Australia-UK Free Trade Agreement (AU-UK FTA), which came into effect on the 31 May 2023, is a case in point.

¹ Facts of Distinction, <https://go8.edu.au/publication-facts-of-distinction-2022>



The AU-UK FTA took a significant step forward in including the first ever Innovation Chapter, aimed at recognising the critical importance of emerging and advanced technology in the global economy and including measures to increase bilateral collaboration.

The Chapter establishes a Strategic Innovation Dialogue, a vehicle by which barriers to and opportunities for innovation can be identified and acted upon, and best practice principles and trade and investment opportunities can be facilitated.

Most importantly, the Chapter recognises the centrality of research and research organisations, including R&D investment, to innovation in new and emerging technologies – the technologies that will increasingly drive competitiveness in the global economy.

The FTA also recognises the importance of the movement of people – or the sharing of experience and building of expertise and cultural know-how – as a fundamental pillar of innovation, and a driver of longer term, sustainable relationships.

Innovation Chapters can therefore provide the following benefits to Australia’s bilateral or multilateral agreements:

- **Provide opportunities for strategic alliances on research and innovation:** e.g., mechanisms for collaborations around areas of mutual priority, or creation of bilateral funding programs;
- **Boost student and researcher mobility:** to strengthen talent pipelines and reinforce cultural ties;
- **Provide opportunities for commercialisation:** increasing opportunities for Australian research organisations to engage with research-active industry overseas; and
- **Reduce red tape and bureaucracy:** such as through development of shared IP and data sharing agreements.

Recommendation 1: That an Innovation Chapter be included as standard in all new FTAs and included during the refresh processes of existing FTAs.

Research is a foundation of economic and industry success in an increasingly technologically driven world. International evidence suggests that, on average for advanced economies, a ten per cent increase in private R&D would lift the level of GDP in the economy by around 1.3 per cent in the long term. Also, beyond any one economy, achieving a level of global R&D that considers international productivity “spillovers”, could increase global GDP by almost 8 per cent in the long term.²

This is perhaps most obvious in areas of breakthrough technologies, such as artificial intelligence, quantum computing, cyber capabilities and deep fakes, but there is an increasing need to also better understand how societies can leverage the advantages of these new capabilities while guarding against their more destructive impacts.

² International Monetary Fund (2016). *Fiscal Monitor: Acting Now, Acting Together*, April.
<https://www.imf.org/en/Publications/FM/Issues/2016/12/31/Acting-Now-Acting-Together>



These issues are not only relevant to Australia. Many countries are grappling with similar challenges, as seen recently in the 2024 UK general election where “highly alarming” electoral interference may have been identified.³

Go8 universities conduct around 70 per cent of the university-based research conducted in Australia, which we estimate represents 20 per cent – or one fifth – of the total national investment in R&D by business, governments, and the higher education sector combined. This has resulted in three of our members now being ranked in the top 20 universities in the world, with six in the top 50 and all eight well within the Top 100.⁴ This means that Australia is well placed to participate as a global leader in the innovation partnerships and knowledge trade routes that will increasingly drive global economies.

The Go8 acknowledges the Department of Foreign Affairs and Trade (DFAT) Peak Bodies engagements as an effective channel for stakeholder engagement. However, we also recommend that the Go8 should be included in early consultations during the development of new and revised FTAs, especially in relation to how Australia’s leading research capability can be leveraged in the development and strengthening of critical relationships.

Recommendation 2: that the Go8 be consulted early in the development of new and revised Agreements, to advise on how Australia’s leading research capacity can be leveraged in the development and strengthening of critical relationships.

The Go8 remains a strong supporter of the Australian Government pursuing an FTA with the European Union, despite the current stalled status of negotiations. Notwithstanding this, and given the critical importance of research and innovation to the global economy, we urge the Committee to consider an alternative model of engagement that could be pursued in the meantime.

Horizon Europe is the EU’s €95.5 billion flagship research and innovation programme, set to run until 2027. Non-EU countries are able to participate on an associate member basis, and those that have done so include New Zealand, Israel, Norway, Canada and the UK.⁵ Not only would Australia’s associate membership to Horizon Europe deliver important economic and social benefits (noting Go8’s projects in the Horizon Europe predecessor programme, Horizon 2020, resulted in 150 business collaborations), but it is also important politically for Australia to be represented on the world stage as a global research powerhouse.

The Go8 has a strong foundation upon which to build with the EU. In fact, the EU-27 as a bloc is the Go8’s top global collaborator in research (2017-21), followed by USA, UK and China. Go8 universities also have a dominant footprint as Australia’s participants in Horizon 2020, being involved in more than 100 projects with a total worth more than 330 million euros.

Australia cannot engage in negotiations on participating in Horizon Europe if the Australian Government does not sign a formal letter of intent to do so. Signing a letter of intent will not commit the Australian Government to providing funding.

³ <https://www.abc.net.au/news/2024-06-29/uk-election-pro-russian-facebook-pages-coordinating/104038246>

⁴ <https://www.topuniversities.com/world-university-rankings?countries=au>

⁵ https://research-and-innovation.ec.europa.eu/strategy/strategy-2020-2024/europe-world/international-cooperation/association-horizon-europe_en#:~:text=Countries%20associated%20to%20Horizon%20Europe%201%20Members%20of,their%20economic%2C%20political%20and%20research%20and%20innovation%20systems



Recommendation 3: The Go8 urges the Committee to recommend that the Government seek to engage with the EU on Horizon Europe as a matter of urgency.

Should the Committee require further information, I can be contacted via

Yours sincerely

VICKI THOMSON
CHIEF EXECUTIVE