### About ACGR

The Australian Council of Graduate Research Inc (ACGR) is the peak body for university representatives with institutional responsibility for graduate research programs and support in Australia. Our membership includes every Australian university and higher education provider approved to deliver higher degrees by research (PhD and Masters by Research).

For the past two decades, our Council has been committed to improving the quality and accessibility of higher degree by research training in Australia, optimizing researcher employability and fully realizing the economic, social and intellectual contributions of research graduates to our nation.

### Supporting Australia’s Innovation and Economic Growth

As Australia navigates the economic and social realities brought about by the global pandemic, innovation and new ways of doing business are more important than ever.

From SMEs to large corporations, research and development is urgently needed to stimulate and support our nation’s economic and social recovery and our global competitiveness. However, many industries are struggling financially and have lost confidence or capacity to invest in R&D.

Harnessing the talent of graduate researchers in all sectors of the economy is one of the best ways to address productivity challenges in Australia, and is an obvious way to intensify the university-research-industry nexus the government has recognised as critical for Australia. Providing tax incentives for industry is an enabling mechanism to achieve this outcome.

The Research & Development Tax Incentive Review in 2016 [[1]](#footnote-1)recommended that businesses be permitted to claim a premium for the cost of employing PhD STEM graduates for their first three years within their firm. We support this recommendation and would extend it to include graduate researchers[[2]](#footnote-2) from both STEM and HASS who all have the potential to make significant contributions to industry. Through their intense training and experience graduate researchers from all disciplines acquire the ‘researcher mindset’ that underpins the development, adoption and diffusion of product and services innovations.

Science and Technology Australia (STA) [[3]](#footnote-3) has also recently advocated for the introduction of a 20 percent collaboration premium for the Research & Development Tax Incentive, arguing that “this would encourage businesses to collaborate with the university sector’s innovative researchers”. This measure would particularly help small and medium enterprises that do not have an in-house R&D capability, and who seek the expertise and support of some of our nation’s best researchers.

Now is the time to intensify industry’s engagement with research and to make best use of the skilled and job-ready researchers who have graduated from the world class research training programs offered by Australian universities.

### Recommendation

The Australian Council of Graduate Research strongly endorses any measures that can be taken to incentivize and support the hiring of Australia’s Higher Degree by Research graduates. This will ensure that Australian businesses are able to invest in and leverage the research and development that is critical for their future growth, as well as for our nation’s economic security and quality of life.

For further information please contact:

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1. Review of the R&D Tax Incentive Panel Report https://consult.industry.gov.au/r-d-tax/r-d-tax-incentive-review/supporting\_documents/Researchanddevelopmenttaxincentivereviewreport.pdf [↑](#footnote-ref-1)
2. Graduate researchers include both Masters by Research and PhD candidates [↑](#footnote-ref-2)
3. STA Pre-Budget Submission 2020-2021 https://scienceandtechnologyaustralia.org.au/wp-content/uploads/2020/08/2020-21-Pre-Budget-Supplementary-Submission-Final.pdf [↑](#footnote-ref-3)