

# SCIENCE & TECHNOLOGY AUSTRALIA

## POLICY SUBMISSION

28 OCTOBER 2025

### Possible Association to Horizon Europe

Science & Technology Australia (STA) thanks the Department of Industry, Science and Resources for the opportunity to respond to the Possible association to Horizon Europe consultation.

STA is the peak body for the nation's science and technology sectors, representing nearly 150 member organisations and more than 235,000 scientists and technologists. We connect science and technology with governments, business and the community to advance science's role in solving some of humanity's greatest challenges.

### Key points

- Association to Horizon Europe will optimise engagement and strengthen Australian R&D – leading to better economic and wellbeing outcomes for Australians.
- The Australian Government should expand exploratory talks on associating to Horizon Europe to include Pillar I. This will help enhance the entire R&D pipeline to better address key global challenges and long-term sustainability.
- Australian research has already seen multiple benefits with Horizon Europe including high-quality training, networking, and access to unique research infrastructure on a limited basis. Association will support comprehensive access while significantly decreasing administrative burden.
- Association must not come at the cost of research funding allocated to other R&D areas.
- The Australian Government needs to consider key factors including intellectual property rights, governance, administration, data sovereignty and funding as part of any negotiations to ensure optimal outcomes for the R&D sector.
- Negotiations should be conducted in close consultation with the sector to ensure maximum benefit within the broader sector context and operational practicalities are addressed.

### Science & Technology recommendations

1. Association to Horizon Europe should be supported with genuine additional funding investment rather than reallocating existing or planned domestic research funding.
2. The Australian Government should expand exploratory talks with Horizon Europe to include Pillar I to strengthen long-term sustainability across the entire Australian R&D pipeline.
3. The Australian Government should consider intellectual property, governance and administrative alignment, funding and data sovereignty and protection, including for First Nations people, as part of its engagement on Horizon Europe.
4. The Australian Government should engage with Horizon Europe with the aim to Associate for the 2028–34 program given negotiation and implementation considerations.
5. The Commonwealth Government should establish a sectoral working group to assist and advise the Government during the negotiation process.

## Overview

There are several current processes underway considering ways to strengthen Australia's R&D system, namely the Strategic Examination of R&D and the development of a new Health and Medical Research Strategy. Mechanisms to further support Australia's global collaborations should form part of these considerations. Australia's research sector is facing an uncertain geopolitical climate, rising health, technology and climate change concerns, and a slowing economy.

Horizon Europe offers Australia an opportunity to advance our R&D priorities, boost productivity, and strengthen our research workforce. Australia already has strong research collaborations with EU countries, which could be leveraged and expanded through Horizon Europe Association. New Zealand's 2023 association has already generated an estimated 10-fold return on investment.

## Current engagement with Horizon Europe

Australia currently participates in Horizon Europe [as a third country](#), as we are neither an EU member nor a contractual partner. Our researchers participate through specific Horizon Europe funding opportunities, such as the [European Research Council funding opportunities and Marie Skłodowska Curie Actions fellowships](#). Discovery Early Career Research Awards (DECRA) and NHMRC grant recipients may also pursue research collaboration opportunities through specific arrangements with the European Research Council.

During the Connecting Continents forum this year, an EU official stated Australia ranks 5th in participation among third countries representing 3% of overall participation. This includes 128 participants in the Marie Skłodowska Curie Actions fellowships and 35 in the Pillar II Health cluster.

While largely positive engagements, they are exceptions to the rule and further highlight how well Australian researchers do despite not being able to access all funding opportunities.

Further, while these figures paint a picture of strong Australian participation in Horizon Europe projects, but it is only achieved through universities and other research bodies having access to their own funds to participate. Association would support access to the project's entire budget, and afford researchers greater flexibility in expending funding.

Stakeholders report scientific engagement and student training experiences were excellent, but were accompanied by a high administrative load, that was complicated by participating as a third country rather than an associated partner.

## Why Australia should Associate to Horizon Europe

The Horizon Europe Pillar II 2021–27 and proposed 2028–34 Pillar II program clusters have strong alignment with Australia's [National Science and Research Priorities](#), [National Reconstruction Fund priorities](#) and [Future Made in Australia](#). Association would leverage support global collaborations to enhance our domestic solutions.

Association to Horizon Europe will allow Australian researchers to lead specific research proposals, have greater access to high quality networks and unique global research infrastructure. It will facilitate world class training, funding, and research opportunities to sustain and improve workforce capacity.

Australia would be able to apply to almost all opportunities under Pillar II, which totals [€53.5 billion](#) in its current form and [€75.9 billion](#) in the 2028–34 iteration. Association to Pillar I would increase this by a further [€44.1 billion](#), through additional funding and professional development opportunities.

Moving beyond third country status would give Australia more influence over program direction and strategic influence. This would support international collaborations that align with Australian priorities and strengthen our R&D leadership globally.



Stakeholders report there are unique opportunities in the European industrial context to progress research and translation pathways not available in Australia. This includes having greater opportunities to launch payloads to space through Horizon Europe funding and access to specialist facilities and regulatory networks that could accelerate the impact of their research.

There will also be opportunities to gain early insights into emerging innovations elsewhere, which can lead to [competitive advantages in strategic investment decisions](#) from the Government and industry.

**To ensure maximum benefit for the sector, Horizon Europe association funding must supplement, not replace or be offset by, existing Australian research investments. Sacrificing other key investments to fund Horizon Europe association is not a viable solution.**

### Science and Technology Australia Recommendation

1. Association to Horizon Europe should be supported with genuine additional funding investment rather than reallocating existing or planned domestic research funding.

### Business R&D spending in Australia

Business R&D has been decreasing in Australia. Australia's Business Expenditure on R&D (BERD) has declined by a third from [1.37% of GDP in 2008](#) to [0.9% in 2023–24](#). Both the [Strategic Examination of R&D](#) and [National Health and Medical Research Strategy](#) have called for increasing BERD as a means to boost R&D and economic growth, and ultimately create jobs and develop expanded and new industries.

Association will support higher levels of business R&D in Australia by:

- boosting Australian business eligibility, and investment, as collaborators on European R&D projects
- supporting businesses, including startups, to translate and commercialise R&D in Australia rather than relocating to Europe
- allowing large European corporations with offices in Australia to engage with Australian universities and other stakeholders boosting sector-wide collaboration.

### Association to Pillar I should also be explored

Association that includes Pillar I would better support the entire research pipeline. Pillar I supports discovery research and includes [€44.1 in investment funding for the 2028-34 iteration](#).

Building R&D from the ground up through Pillar I would leverage funding, collaborative opportunities and strengthen long-term outcomes. In mathematics alone, we can improve and expand cooperation with facilities like the Max Planck Institute where one researcher [increased the efficiency of high-performance computing and AI by a factor of 1000](#) by improving algorithm efficiency. Having access to this knowledge will help to deliver greater benefits across all sectors in Australia.

Association to Pillar I will better support Australian sovereign capability, jobs and sustainable economic growth for Australia by strengthening the full length of the R&D pipeline.

### Science and Technology Australia Recommendation

2. The Australian Government should expand exploratory talks with Horizon Europe to include Pillar I to strengthen long-term sustainability across the entire Australian R&D pipeline.

### Important considerations for negotiations

The Australian Government should also take note of key factors to consider during negotiations on Association options:



- The European Commission may require Australia to provide access to equivalent science funds, many of which are already available to European researchers, as long as they meet relevant criteria such as the host organisation being in Australia.
- The funding amount agreed for Australian participation will be based on an expected success rate for Australian researchers. If Australian researchers receive a higher-than-expected number of grants, the amount of funding required will increase commensurately.
- The ethics and standards for research excellence in the EU are high. While there is little need for concern, as Australian standards are world-class, some Australian institutions may need to make adjustments to align with EU standards.
- The Australian Government should ensure mutual adoption of certification, audit and financial management provisions for quality and compliance purposes.
- Intellectual property (IP) settings should:
  - minimise compliance costs for the research community
  - ensure policies and settings support small Australian businesses importing Horizon Europe facilitated IP to innovate, and
  - retain flexibility to ensure IP settings are optimal for domestic purposes over time.
- Data sovereignty support First Nations data rights and governance processes are upheld and cultural knowledge and IP are protected.

It is important the Government considers the 2028–34 iteration of Horizon Europe as its primary engagement target given the time needed to negotiate and to align governance and administrative systems to support association adequately.

### Science and Technology Australia Recommendation

3. The Australian Government should consider intellectual property, governance and administrative alignment, funding and data sovereignty and protection, including for First Nations people, as part of its engagement on Horizon Europe.
4. The Australian Government should engage with Horizon Europe with the aim to associate for the 2028–34 program given negotiation and implementation considerations.
5. The Commonwealth Government should establish a sectoral working group to assist and advise the Government during the negotiation process.

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