



Independent Research Association of New Zealand
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BRIEFING FOR INCOMING MINISTERS

1. Independent Research Organisations

Independent Research Organisations (IROs) are research organisations that have internal capability for carrying out research, science, technology, or related activities with ownership and governance independent of Government. IROs are not CRIs or universities, they have a variety of ownership structures including industry, private, public and community.

Primary Processing, Food Safety and the Environment

- Aqualinc Research Limited
- Cawthron Institute
- LASRA - The New Zealand Leather & Shoe Research Association
- Lincoln Agritech Ltd
- NZWRC - New Zealand Winegrowers Research Centre

Infrastructure and the Economy

- BRANZ - Building Research Association of New Zealand
- CRL Energy
- CSST - Centre for Space Science and Technology
- HERA - Heavy Engineering Research Association
- Mackie Research
- Motu - Economic and Public Policy Research
- Opus Research
- TERNZ - Transport Engineering Research NZ
- TiDA - Titanium Industry Development Association

Health and Medicine

- Malaghan Institute
- MRINZ - Medical Research Institute of New Zealand

2. The Independent Research Association of New Zealand

The Independent Research Association of New Zealand (IRANZ) represents the collective interests of Independent Research Organisations (IROs) in New Zealand.

IROs are a vital and unique part of the New Zealand Science ecosystem, they are all different and they are a great way of enabling New Zealand to increase high-impact research by business, economic sectors and the community. IROs consistently provide quality science outputs that provide high-impact results for their stakeholders and New Zealand.

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Economic impact

IRANZ members and our associates employ over 500 staff and have combined sales of \$80 million, including \$30 million of research investment from Government and \$30 million of stakeholder investment.

Place in the research sector

IROs play an important role in collaborative research programmes with universities and CRIs, where we provide important industry and sector linkages to the programme. Some 25% of the research undertaken at IROs is as subcontracts to CRIs or university programmes, with around 10% of research led by IROs being contracted to other organisations.

IROs are a key part of a thriving independent research sector that is a major pillar of the New Zealand science system, and a key to New Zealand achieving the goal of increasing business expenditure on research and development (BERD).

The role of IRANZ

IRANZ represents the collective interests of members by undertaking activities to create a positive operating environment for Independent Research Organisations in New Zealand. These activities include:

- Providing a forum for IROs to discuss matters of common interest;
- Provide an IRO point-of-contact for Ministers, MBIE and other government science investment agencies;
- Raising the profile of IRANZ and its members with the Government (and their advisors) and the research community (partners);
- Developing IRANZ policy positions on key issues, but only advocating to Government on issues that are important and where there is a clear collective requirement;
- Sponsoring the Royal Society Speaker's Science Forum and other activities to promote science in the community; and
- Disseminating news and success stories from IROs that demonstrate the wide impact of our members' work by means of our quarterly email newsletter *Connections* and our website.

3. Endeavour Fund

Contestable research is a fundamental part of the New Zealand research, science and technology environment, but over the years this investment has been eroded by new initiatives (e.g. Core Funding, Industry Capability Funding and National Science Challenges). The renaming to the Endeavour Fund, the focus on impact as well as research excellence, and the broader strategic direction, are all welcomed initiatives for contestable funding.

Only 68 of the 408 proposals (16.7%) submitted to the Endeavour research investment fund in 2017 were successful. For IROs (5 from 28) the 17.9% success rate was slightly better. A lot of good proposals from IROs, CRIs and Universities still remain unfunded.

In the UK, an AIRTO report [AIRTO Economic Impact of the innovation research science and technology sector](#), by Oxford Economics, assessed the total impact of the UK Innovation, Research

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and Technology sector at between 2.3-2.6% of total UK GVA (gross value added), achieved with just 0.3% of government spending. This takes into account the Innovation, Research and Technology sector's induced and catalytic effects on the economy. AIRTO (the Association of Innovation Research and Technology Organisations) membership is roughly equivalent to the IROs, CRIs and University science commercialisation groups, in New Zealand.

On the basis that a similar proportional impact would occur, New Zealand can only gain from increasing its investment in the Endeavour Fund for high-impact and excellent research. New Zealand must do this if it wants to achieve a high-performing economy, world-leading social well-being and environment, and an efficient 21st century infrastructure.

4. Regional Research Institutes

The new Regional Research Institutes (RRIs) will all be IROs, and the first two: The Centre for Space Science Technology (CSST) and the New Zealand Winegrowers Research Centre (NZWRC) have already joined the IRANZ community. Other RRIs will be welcome to join as soon as they have become established.

New Zealand's largest IRO, The Cawthron Institute, has provided the inspiration for RRIs. A report by NZIER, [Impact of the Cawthron Institute: Economic contribution to Nelson and New Zealand](#) showed that the Cawthron Institute has created a unique business model adding value to the Tasman/Nelson region and national economies. It represents 25% of the Nelson business service sector exports, contributes \$14m in added value to the local economy, and indirectly creates 91 jobs. It has a national and global reach, and its future successes could boost New Zealand's GDP by \$200 million and create over 500 jobs.

5. National Science Challenges

The eleven National Science Challenges provide an opportunity to align and focus New Zealand's research on large and complex issues by drawing scientists together from different institutions and across disciplines to achieve a common goal through collaboration.

The Building Better Homes, Towns and Cities Science Challenge is being led by an IRANZ member, BRANZ, while other IRANZ members are also involved in several other National Science Challenges, including Cawthron Institute researchers playing an active part in both Sustainable Seas and High Value Nutrition challenges.

Climate Change and Big Data are subjects which could warrant new National Science Challenges. There are IROs well placed to take an active role in these areas.

6. Health Research

IROs in the health sector are dedicated to investigating the causes of important public health problems, including cancer, in New Zealand and internationally, to use this knowledge for the prevention and treatment of diseases, and to provide a base for specialist training in medical research. This research is normally supported by the Health Research Council. Research into new

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drugs or medical appliances which could be developed by New Zealand firms could be supported by the Endeavour Fund.

7. The Strategic Science Investment Fund

CRI core funding, IRO capability funding and MBIE research infrastructure investment, have been combined into a single new Strategic Science Investment Fund (SSIF) worth nearly \$250 million per year. The SSIF will support underpinning research programmes and infrastructure of enduring importance to New Zealand, with funding allocated on merit for proposals that respond to the strategic scientific goals and priorities in the SSIF investment plan, rather than by organisation.

All IRANZ members are keen to be part of contributing to a larger-scale research infrastructure that supports enduring priorities and a high-performing science system. We believe the guiding principle for the SSIF should be the best people. Where existing funding has been mapped to Science Challenges, SSIF should not be used to replace it.

8. Business and Enterprise Research and Development

The National Science Investment Strategy seeks to grow Business and Enterprise expenditure on R&D (BERD) to well above 1% of GDP by 2018. It sees this as driving a “thriving independent research sector that is a major pillar of the New Zealand science system”. IRANZ members are excited to be part at this new growth area for New Zealand’s research.

A number of IROs are built around Industry Levies: collective investment by business and enterprise in R&D and other collaborative activities. IRANZ sees IROs as being ideally placed to help increase BERD, whether they are structured as businesses or trusts, and whether or not they are supported by industry levies. It is important that policies are structure and funding neutral.

9. Further information

For further information about IRANZ or the IROs please feel free to contact the IRANZ secretary, Dr Rob Whitney, on 0508 447 269 or information@iranz.org.nz.

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