

knowledge + innovation + wealth



Australian Institute
for Commercialisation

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The BCA and those it has collaborated with, including the AIC, have identified the following five priorities as key 'pointers' to the creation of a comprehensive National Innovation Framework for Australia. The AIC wholeheartedly supports these priorities. Within the BCA's overall framework, the AIC is advocating ten specific actions, or milestones. Over the course of the next year, the AIC will develop more detailed policy documents about these milestones and what is needed to achieve them.

THE BCA PRIORITY

1. Recognise innovation as a critical national priority, and align efforts by governments and business to boost innovation.

THE BCA PATHWAY

In particular, set innovation as a new national reform priority for the Council of Australian Governments (COAG), and establish a new governance framework for Australia's innovation system. A new central body, 'Innovation Australia', reporting to COAG, would be tasked with the responsibility of 'bridging across silos' and providing whole of government policy coordination and consistent performance assessment across federal and state jurisdictions.

THE AIC MILESTONES

- **Federal Government acceptance of raising Australia up the "innovative nation" list**, with regular monitoring. Note that the AIC claims to be a small-scale prototype of the proposed 'Innovation Australia' body.
- **Federal Government to fund serious policy work on "Innovative nation" issues**, including appropriate measurements and benchmarks. As part of this, fund serious work on agreed measures of the historical returns from publicly funded R&D. Recognise and measure the role of innovation in new industry creation and transformation.

THE BCA PRIORITY

2. Strengthen linkages and collaboration between all elements of Australia's innovation system.

THE BCA PATHWAY

For example, compile an 'Expertise Australia' database of national research expertise to assist in identifying and building innovation networks and collaboration with industry.

THE AIC MILESTONES

- **Catalyse business – research collaboration** to leverage public sector R&D by providing funding to scale up nationally based knowledge transfer initiatives – focussing on business demand (“market pull”) for new technologies rather than traditional “IP push”. Market driven intermediary programs such as the AIC’s Techfast program can play an important role in establishing productive relationships.
- **Implement ‘Third stream’ funding for universities, CSIRO, ANSTO, DSTO** - but to be spent with “market pull” issues to the fore, and available to industry to cash in for collaboration.

THE BCA PRIORITY

3. Implement specific policy and investment measures to strengthen Australia's research networks and institutions.

THE BCA PATHWAY

In particular, provide greater support for public research organisations, and research careers in key innovation-related areas such as science, engineering and technology.

THE AIC MILESTONES

- **Improve the efficiency of publicly funded research agencies** and find ways to minimise the time wasted by researchers on unproductive grant proposals and reduce funding red tape generally.
- **Provide additional funding for early stage innovation and R&D&C**, to place Australia in the top quartile of OECD nations by total R&D expenditure. This will require hard thinking about policies to increase R&D investment by business, with particular focus on the SME sector as the key source of radical innovation, jobs, and growth in the economy.

THE BCA PRIORITY

4. Enhance policy focus and strategic investment in education and training to improve the innovation capabilities and culture of our people.

THE BCA PATHWAY

For example, institute programs in business schools and universities to build innovation management and leadership skills, with a review and development of the recommendations of the 1995 Karpin report.

THE AIC MILESTONES

- **Increase investment in building human capital**, especially in science and engineering as recommended by PMSEIC in its report on China and India.
- **Provide more cross-disciplinary training for scientists and engineers**, so they better understand IP management and the pathways to utilisation.

THE BCA PRIORITY

5. Undertake continuing micro-economic reforms to improve and sustain a business environment suitable for innovation.

THE BCA PATHWAY

In particular, undertake reforms to Australia's regulatory and taxation systems and improve information and communications (ICT) technology and broadband infrastructure.

THE AIC MILESTONES

- **Pursue relevant tax reform on the commercialisation of IP** – as recommended by IPRIA, the existing tax regime penalises commercialisation of IP within start-up company structures. Fix this problem and examine related problems such as incentives for R&D practitioners within the publicly funded research institutions.
- **Introduce “Use it or use it” corporate governance rules relating to IP** held within publicly funded research organisations (PFROs). This policy would require Boards of PFROs to systematically manage and document their IP, and require them to account for its use, either by themselves or by Australian businesses. Acceptance of this policy should be a condition for eligibility for new third stream funding.



ideas

opportunities

outcomes

t: +61 7 3853 5262

f: +61 7 3853 5226

Brisbane Technology Park

1 Clunies Ross Court

PO Box 4425

Eight Mile Plains

Brisbane, Queensland 4113



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