

Salmond & Associates R & D Services

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The Secretary
Standing Committee on Science and Innovation
House of Representatives
Parliament House
Canberra ACT 2600

Submission No.44.....

Marketing our Innovations – can we do it better.

In looking at ways to improve Australia's performance in R & D and innovation activity there are two issues of importance which should not be overlooked.

These are basic issues in relation to our lack of performance in innovation marketing.

Both have to do with potential mis-administration of the IRD Act 1986.

These may be summarized as –

- 1/ R&D funding made available under the Act is being mis-appropriated for marketing and commercialisation activities – thereby starving R&D proponents of essential primary support, and
- 2/ Individuals are being denied access to R&D funds under the Act, but may access funds for innovation commercialisation – with those funds being supplied from R&D appropriations under the Act.

The Act states clearly that the purpose of the legislation under Section 3 is
“ ----- encouraging research and development activities.”

These activities are identified further as meaning –

- “ ----- systematic investigation or experimentation activities:
- a/ that involve innovation, technology transfer into Australia or technical risk;
 - b/ that are carried out in Australia; and
 - c/ the object of which is new knowledge (with or without a specific practical application) or new and improved materials, devices, processes or services;”

It is very clear from the wording of the Act that the primary intent of the Act is the support of R&D activity. The Act is not designed for the purpose of supporting marketing and commercialisation activity – other than has been stated under Section 36.

At present, an across the board study of programs offered by the IRD Board show very clearly a heavy bias away from R&D support and towards commercialisation support – contrary to the intent of the Act.

There are indications that this altered focus – against the intent of the Act – is harming Australia's R&D effort and is under-mining our later efforts in the commercialisation of R&D. A weak R&D support basis leads to a weak commercialization effort – while conversely, a strong under-pinning of R&D leads to a strong commercialisation status.

Under Section 36, it should be adequate for an R&D fund applicant to agree to the outright sale of a project on completion of the R&D phase, in order to qualify for support, without being rejected because of a lack of extensive marketing and commercialisation business plan. The agreement to sell the project outright is a valid marketing plan under the Act – but currently this is simply not accepted. If it was an acceptable proposal at present, I believe we would be seeing a much greater percentage success being achieved in commercialising our innovations.

In summary, the change of priority in application of funds by the IRD Board is harming Australia's R&D and innovation effort and needs to be returned to the original intent under the Act before a satisfactory 'Marketing our Innovations' plan for Australia can be implemented.

Further, the program of 'Marketing our Innovations', needs to be dealt with at arms length from R&D under the current Act. Probably what is needed is new legislation being formed to structure the marketing activities. This could be done with a support base extending to projects having emerged under the IRD Board R&D support programs – although not exclusively for this purpose – for much private R&D which should be supported is never presented for public scrutiny because of a lack of trust in the system. That private R&D work is important to a country is borne out by the household names around us – Gillette, Dunlop, Goodyear, Braille, Diesel, Sarich, Wright Bros., - to name but a few.

Entire international industries have emerged from the private work of individuals: the aircraft industry a prime example.

We must be careful to support creative individuality, for there is a danger that strong influences from the commercial or merchant mind-set can stifle the scientific creative urges of the citizens of a country. Support is essential, otherwise fresh ideas will either not germinate or will be stamped out – to the detriment of all. Those with that driving force, self-assurance and will-to-persist must find support within their community or their services will be coveted elsewhere.

The creative issues are quite separate from the commercial issues. We need to deal with them as such.

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Principal.

