



Submission to the Standing Committee on Science and Innovation

Business Commitment to R&D in Australia

Of the eight submissions available online I agree with comments in Submission 4 from IBISWorld and Submission 7 from the CRC for Sensor Signal Information Processing (SSIP).
I add the following:

2 Impediments to investment

In addition to business ignorance of the financial benefits of well managed R&D the major problem is a lack of skill. This is evident in the lack of strategy described in submission 7 and which I also observed during my time as a strategy consultant to the CRC for Food and Packaging and a variety of other organisations.

Some progress has been made, for example, through CRC post graduate programs, in strengthening the managerial and commercial awareness and skills of scientists and technologists. However the historical imbalance in Australia – strong research skills, uneven R&D skills and poor commercialisation skills – remains.

3 Steps

3.1 Productivity Commission research and my field experience indicate that government funds, as currently administered, get very uneven results.

Subsidies and grants should over time be linked more strongly to outputs (performance) rather than inputs (particular expenditures). Ways of doing this are now available.

3.2 Despite the imbalance between research and commercialisation the majority of government programs support research. The government has introduced a range of new programs, such as those promoting entrepreneurial initiatives among tertiary science students. However, it remains paradoxical that public funds allocated as subsidies and grants to business because of broader economic and social benefits support the strongest rather than the weakest link in the R&D&C chain.

Policies and funding programs should be redesigned to redress this imbalance.

3.3 Widespread dissemination of world best practice will help when dissemination occurs from companies that have verified best practices rather than being flavour of the year. Over the past decade many Australian companies selected as “best practice” by government or by industry peers were well below world class and were poor exemplars.

BRIEFING NOTE

Dissemination will work when it is designed according to the principles and methods such as those described in the very detailed report prepared for the Commonwealth Government Department of Industry, Tourism and Resources (the main sponsor) and several other European Government agencies, called "The Innovative Company, Using Policy to Promote the Development of Capacities for Innovation." It was prepared by Arthur D. Little Limited over several years and was released in February 2001.



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