

Cooperative Research Centre for the Conservation & Management of Marsupials  
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The Inquiry Secretary  
House of Representatives Standing Committee on  
Science and Innovation  
R1 Suite 116  
Parliament House  
Canberra ACT 2600

### **Inquiry into business commitment to R&D in Australia**

Dear Committee Members,

We commend the House of Representatives on the formation of this standing committee and the current inquiry. A major focus within the parliament for science and innovation can only be an asset in the movement of Australia to a more knowledge-based economy that better captures the economic benefits of the nations high quality science output. Thank you for the invitation to participate.

The Cooperative Research Centre for Conservation Management of Marsupials began by involving state and territory government agencies as its industry/research user partners. However increasingly we are engaging with business as we move in the life cycle of our research from fundamental concept development to application and commercialisation.

Marsupial CRC business allies now range from major agriculture businesses and their industry organisations, through state owned enterprises, to small start up companies and a wide variety of SMEs, especially wildlife parks and environmental consultants.

In our experience, and we believe that of CRCs generally, the major attraction that business has for investing research resources with a CRC is the leverage obtained on its investment. CRCs are but one example of this type of shared research investment between the Commonwealth and business. Programs like the ARC linkage grants and even the long established industry research and development corporations all have this as a common feature.

As partnership between government and business in funding R&D is already a well established part of the Australian business culture we would encourage the committee to seek to find ways to further strengthen and encourage this type of investment by business.

Although the primary focus of the inquiry is funding, it should not be overlooked that CRC's also give business cost effective access to research expertise and infrastructure, usually in universities and CSIRO. Such research capacity would be well beyond the means of most SMEs, and increasingly not seen as core business by major corporations.

Similarly, business can make very valuable non-cash contributions of in-kind resources to such partnerships. In particular, through contributions of expertise and resources for commercialisation and research application. As capturing the commercial, or national, value of innovation is a major problem this is a very important feature of research partnership with business.

There has been much argument on the value of tax incentives for R&D, and amongst some, the strongly held view that such schemes are extensively abused. However, if tax benefits were given to business for participation in bona fide, competitively selected and accountable joint research, like that supported by the CRC program, then the opportunity for abuse would seem to be minimal.

The basic thesis of our submission is that Australia already has in the CRC Program, and similar public/private research partnerships, very successful models that have lead to substantial business/industry investment in R&D. Rather than seeking to copy overseas examples, or invent new models, Australia should seek to capitalise fully on home grown solutions that are currently working.

This is not to suggest that the CRC program, or other government programs, can not be made substantially more business friendly. For example, the current need for long-term commitments to be a full party to a CRC (7 years) is unrealistic in the volatile business environment for large or small enterprises.

Thank you once again for the opportunity to contribute. Please contact me if should the Committee wish to pursue these issues further.

Yours sincerely,

John Rodger  
Director & CEO