

BOOSTING COMMERCIAL RETURNS FROM RESEARCH

I read the Discussion Paper with interest, however following my review I concluded that only a few of the proposed strategies will result in boosting commercial returns from research and then only if the government follows my suggestions.

It is clear research providers and industry must work together and that this is the only chance for boosting returns, but how can this be achieved?

As stated in the Discussion Paper *“to improve the commercial outcomes from publicly funded research, the underlying incentives must shift. The settings that underpin incentives for research-industry collaboration, such as grant mechanisms, should be adjusted.”*

I agree and would like to suggest two possible adjustments:

- 1) Mandate that 30% or more of granting bodies funding be allocated to research-industry collaborations; and
- 2) Mandate that industry applies for the funding for research that industry wants to undertake, not the research provider. Currently NH&MRC Development Grants and ARC Linkage Grants are applied for by research providers. Often the research is blue sky and not of immediate benefit to the industry partner, if at all.

The alternative, if this is not politically expedient, is to provide additional grant funding for industry to access, with the funds to be spent solely with the research providers. AusIndustry would need to manage this because NH&MRC and ARC do not have the industry experience or expertise.

I completely disagree that there is value in better articulating Australia’s research priorities. This is government speak for we know best how to boost commercial returns, which is an oxymoron. Industry is about boosting returns and is best placed to prioritise the research, provided they are incentivised to do so.

I also disagree with the suggestion that the government consider whether the R&D Tax Incentive sufficiently encourages collaboration between industry and researchers. The R&D Tax Incentive program has been put in place to encourage industry to invest in research and industry is free to prioritise the research the best way it knows how in order to get a commercial return. If the government were to tamper with the rules to try and encourage research-industry collaborations, this would result in lower research spending as industry would have to adjust their return on investment calculations.

I have reviewed the other strategies referred to in the Conclusions section and make the following comments:

- 1) The establishment of the Commonwealth Science Council, whilst important for other reasons, will have no impact on boosting commercial returns from research;
- 2) Additional support for research infrastructure will have no impact on boosting commercial returns from research (too much government funding is directed to this activity already);
- 3) Providing better access to research is laudible, but fraught with difficulties in what has been suggested in the Discussion Paper (the IP toolkit has been done at least twice before);
- 4) Increasing industry relevant research training would seem worthwhile;
- 5) Measuring outcomes seems redundant, if we already know we have a problem, there must already exist data which tells us that. I would just follow the indices and reports we have previously relied upon and monitor them (saving us having to employ people to duplicate the work of others).