

Innovative Research Universities Response to the *Establishment of the Entrepreneurs' Infrastructure Programme Discussion Paper*

The Innovative Research Universities (IRU) are committed to expanding connections between industry and researchers. Presently, Australia ranks amongst the lowest performing nations in the OECD in terms of industry research activity and business interaction with publically funded research organisations. We hope that the Entrepreneur's Infrastructure Programme (EIP) will be an effective mechanism to address these issues for the benefit of both business and universities, and the wider economy.

IRU members particularly appreciate the importance of translational research, whereby the findings of basic research are tested and refined through application. This research stimulates the development and release of new products, services and business processes. Industry partnerships are vital in this area of research endeavour and in highly innovative fields the role of start-ups is particularly important.

It is the case that many of the barriers to greater cooperation between industry and universities in research are structural disincentives related to the ways in which research is funded and performance evaluated. These are beyond the scope of EIP to address. The IRU will continue to work with Government to ensure a research ecosystem that rewards and supports cooperation between researchers and industry in all sectors of the economy.

The following addresses specific questions raised in the discussion paper.

Question 6

While we appreciate the need to assess the success of the various initiatives under EIP, the IRU cautions against the inclusion of onerous reporting requirements. These may act as a disincentive to participation. The Department could instead look to broader economic indicators, particularly those produced by the OECD with regards to industry participation in research, innovation and productivity in assessing the success of EIP.

Question 9

The eligibility criteria for the Business Management stream should be reconsidered:

- the list of eligible sectors, while broad, could be unnecessarily limiting. It misses the essential focus on supporting any business that is developing novel products and services with the potential for significant future return ; and
- minimum turnover levels may exclude many small to medium enterprises, start-up companies and those adapting to changed economic conditions.

We recommend instead that eligibility criteria be as minimal as practicable, with business access to the scheme instead determined by the potential for novel approaches that could add value for the business, the business's sector and the broader economy.

Eligibility for the Research Connections stream puts a 'need for government funding' as the first criterion. Taking this to mean that funding under this stream will only be provided where private capital is not available the IRU disagrees with this criterion and its prime placement.

Funding should be provided first and foremost to those projects that the highest potential to have significant economic impact in proportion to the size of the business and industry sector. The schemes should be considered as incentives for companies to develop and risk exploring novel ideas, not as compensatory funding to fill a gap in available investment.

We recommend changing 'need for Government funding' to 'potential return on Government support'.

Question 15

It will be critical for the Department to find an efficient mechanism by which to link industry and individual researchers and research groups. It may not be ideal for Department staff to track down specific researchers and instead open the process to competition, with research organisations able to bid on projects with the final selection made by the industry partner.

Innovative Research Universities
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