HOUSE OF REPRESENTATIVES

COMMITTEES

Joint Select Committee on
Trade and Investment Growth

Report

SPEECH

Thursday, 5 May 2016

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES
Mr O’DOWD (Flynn) (10:25): On behalf of the Joint Select Committee on Trade and Investment Growth, I present the committee's report on its inquiry into Australia's future in research and innovation, together with minutes of the proceedings.

Report made a parliamentary paper in accordance with standing order 39(e).

Mr O’DOWD: by leave—Australia faces a world of rapid change as technology creates opportunities to develop new solutions to social and economic problems. Through the inquiry into Australia's future in research and innovation, the committee examined whether Australia's innovation system is enabling the realisation of these opportunities and creating valuable new products, processes and industries.

Delving deeper, the committee considered how ideas created through research and innovation are developed and commercialised. The committee heard from a diverse range of participants in the innovation system, from university researchers to venture capitalists; from start-up software businesses to world-leading medical companies.

Inquiry participants generally welcomed the government's National Innovation and Science Agenda, or NISA. The NISA contains a suite of initiatives designed to encourage innovation and entrepreneurship across all sectors of the Australian economy.

As research and innovation is a progressive field globally, the committee has recommended that the NISA initiatives be reviewed after three years to assess their effectiveness and determine whether they should be continued.

The foundations of Australia's innovation system are strong. Australia has a well-educated population, globally recognised research organisations, and a stable business environment.

It is questionable, however, whether we are taking full advantage of the opportunities that this foundation provides. The committee heard that Australia's record of translating investments in the research sector into outcomes with social and economic benefit could be improved.

One area of potential improvement is the exchange of knowledge between the research sector and business. Rates of collaboration between Australian universities and business are among the lowest in the OECD.

Increased collaboration with researchers and universities could assist business to develop novel solutions to the real world problems being faced. Collaborative research is also crucial to developing the disruptive technologies that could form the basis of new companies and industries.

In view of this, the committee has recommended that the Department of Education and Training examine successful overseas models which could be adapted and used to encourage greater collaboration between universities and businesses in Australia.

Innovative ideas are the fuel for new and improved goods and services, but their development requires capital investment. Australia's innovative start-up companies have often struggled to attract the early-stage investment needed to grow their business.

While still small, the committee was pleased to see signs of growth in Australia's capital venture market. This positive development could be enhanced by initiatives announced by NISA. These include the establishment of a biomedical translation fund and reform to the tax treatment of early-stage investments.
The committee has recommended that Innovation and Science Australia identify emerging industries where Australia has the potential to become a world leader. The committee has also recommended further examination of possible measures to encourage innovation raised by participants during the inquiry.

I would like to thank all those who participated in the inquiry by providing information and submissions and appearing at our public hearings. Finally, I would like to thank my deputy chair, the member for Charlton, Mr Pat Conroy, and my fellow committee members, including Senator Joe Bullock, who has now left the other house, for their support and participation in this inquiry. I would like to thank the secretariat, Stephanie Mikac, John Carter, Timothy Brennan and Carissa Skinner, for the splendid way they pulled together this inquiry. A lot of work was done by them and it is very much appreciated by the committee. I commend the report to the House.