

## **SUBMISSION BY ADVANCE**

Review of the Industry Growth Program

Via email [IndustryGrowthProgram.consultation@industry.gov.au](mailto:IndustryGrowthProgram.consultation@industry.gov.au)

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Advance welcomes this opportunity to support the development and implementation of a new industry growth program for SMEs and startups to commercialise their ideas and grow their businesses.

Advance is the Global Australian Network, connecting global Australians - those living overseas; Australian expats who have returned; current and former international students; and migrants to Australia - with one another and with Australia. We harness the collective goodwill of global Australians through engaging and effective programs, to drive trade and investment, and to inspire a global outlook in the next generation of Australian leaders.

Within our community, many global Australians lead innovative businesses, usually with significant, if not predominantly, international operations. Our Global Australian Awards (now in their 12th year) highlight a disproportionate number of successful Australians who have capitalised on their Australian university training, and commercialised ideas overseas. Indeed, Australians who choose to start and grow R&D-intensive businesses overseas reveal the real barriers and policy gaps to a more innovative and entrepreneurial Australia. It is also worth noting that these successful Australian entrepreneurs are fiercely loyal advocates and promoters of Australia's ecosystem, and give generously of their time to support improvements.

In May 2023, Advance's Global Town Hall focused on the topic of research commercialisation, bringing together the perspectives of our members and Australian decision-makers. This discussion featured impassioned calls for government and universities to elevate efforts to support the commercialisation of research, as shown in the video highlights and detailed analysis of the discussion (See <https://advance.org/global-town-hall-research-commercialisation/>)

Outlined below is input responding to four issues highlighted in the discussion paper on the Industry Growth Program.

1. **Eligibility criteria:** In determining the objective criteria for eligible innovative SMEs, it is important to note a misconception regarding risk. There is a persistent view that government investment in startups is a gamble, with low likelihood of success, and therefore not appropriate use of taxpayer funds. The reality is that investments in early stage startups, even those that don't succeed, support that startup's partnerships with different elements of the ecosystem (e.g. researchers or small-scale manufacturers), and yields a more commercially astute team of researchers and entrepreneurs. Governments investing in already capable companies pulling in \$20 million in revenue is not nearly as impactful as investing in much earlier stage startups. Where, even if they fail, this money has been invested in the economy, and skilled workers can take what they've learned on to the next venture.
2. **Ownership Issues:** Simplifying intellectual property (IP) access and regulation to attract and retain talent, and ensure Australian research is leveraged in Australia. Government could provide incentives for the transparent sharing of IP, and matching businesses with the right universities and researchers. Streamlining the process of licensing IP, and training on documentation and regulatory compliance, would further assist all players involved in the commercialisation journey to focus on innovative outcomes, not time-consuming processes.
3. **Links with Tax Policy:** Aligning tax policy and funding priorities could incentivise industry collaboration. For example, the US Federal government, and states including New York, California and Texas, are offering significant tax credits and investment incentives for the development and deployment of climate tech. As a result, even if the talent and capability exists to successfully commercialise research in Australia, it may make more sense financially to take the research elsewhere.
4. **Supporting programs:** More effective support programs within universities should provide guidance and mentorship to researchers wanting to commercialise their research. These programs should focus on making connections, facilitating industry collaborations, and developing business acumen among researchers. Existing examples include the Sydney Knowledge Hub or the University of Melbourne's \$100 million investment in early stage businesses formed within the university.

Finally, while beyond the scope of the discussion paper, an important change could be pursued through the current discussions of the University Accord to amplify the success of the revised Industry Growth Program. A cultural shift is required in universities to acknowledge responsibility to the public for the translation of discoveries into solutions. A commitment to commercialisation as part of the university mission would promote amendments to the incentive structure, giving equal weight to commercialisation outcomes alongside publications and citations, and investment in programs and infrastructure to support research commercialisation.

The work of Advance in promoting the stories of successful Australian entrepreneurs and deep science pioneers (often supported by overseas universities to translate their discoveries) could assist with delivery of the Industry Growth Program. We also encourage contact with global Australians featured in the Global Town Hall, and other Advance GameChangers (those recognised over the years in the Global Australian Awards). We would be pleased to assist in facilitating introductions.

Sincerely,

Johanna Pitman  
CEO  
Advance Global Australians