

# University Research Commercialisation Scheme

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Submission to the Department of Education, Skills and  
Employment  
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## Introduction

The Australian Chamber of Commerce and Industry (ACCI) welcomes this opportunity to provide input to the Department of Education, Skills and Employment (DESE) on University Research Commercialisation (URC). ACCI has long been an advocate of industry collaboration with research and development (R&D) organisations, including universities. The DESE consultation paper rightly highlights the importance of research commercialisation to increase business productivity and create jobs in the economy. International experience demonstrates that R&D ecosystems can excel at attracting and integrating significant R&D investment and effort to achieve technical leadership and high levels of commercial value-add. The United States has done particularly well in this regard, with successful companies created on the back of R&D collaboration. There is significant opportunity in Australia to increase business productivity through innovation that arises from collaboration in research and development. Australia no doubt has world class universities producing research and centres of excellence. The main issue remains converting the R&D that comes out of universities into commercial success or even early stage R&D collaboration between universities and business. This submission will address issues three and four of the consultation paper as they are most relevant to business.

## Industry-university collaboration

Key design elements of a new model of URC need to encourage business and university engagement whilst also addressing barriers to participation. Currently the reward system inside universities is not set up for commercialisation or collaboration with business. Researchers focus on academic publications as the primary output of their research since they are not incentivised to consider commercial application. Universities also look to publications as the metrics for academic promotions and university rankings. The research itself is rarely in a form that can be commercialised by business since researchers lack the level of business exposure required to understand the commercial considerations that go into making such decisions. Academics usually have competing demands on their time – teaching and research which leaves them with little resources to engage extensively with business. Another issue to contend with is the differing expectation around the timeframe of research output. Businesses have to deal with economic and product cycles and are extremely sensitive to timing while academic research is structured around academic years and publication cycles. Therefore, university research in its present form is not suited to what business immediately requires as an output – cost effective, short term research results.

For business, especially small and medium enterprises, there is a lack of understanding on how they can collaborate with universities – what form it will take (such as contract to research or licensing existing/ongoing research), how to engage with multiple research partners, what are the benefits and what the end result of the collaboration will look like. Businesses, especially small and medium enterprises often do not have dedicated resources that manage external relationships with research organisations. As a result, they find it challenging to balance their time between day to day operations and engagement with research organisations. This further constrains the ability to identify the appropriate collaboration partners and to understand the process of engagement<sup>1</sup>.

## Incentives to Collaborate

From a business perspective, incentives could address some of the barriers to participation by:

- Assist small and medium business in identifying R&D collaboration opportunities in Universities either through a dedicated industry outreach arm within each university or through an intermediary that can facilitate relationships between business and researchers. Example is the R&D matchmaking platform recommended by the NSW Action Plan on Turning Ideas into Jobs<sup>2</sup>.
- Alleviate existing complexity around intellectual property negotiations and agreements which vary across universities
- Reduce transaction costs such as legal fees, negotiation time and opportunity cost for business since they detract from the day-to-day operations. This is essential for engaging small and medium business since they do not possess the same internal capabilities as a large business to undertake and absorb such transaction costs.
- Excellence in Research Australia (ERA) funding requirements can be modified to promote greater levels of collaboration between researchers and business by gearing research outcomes towards those that achieve economic and social impacts, rather than just publications.

## About the Australian Chamber

The Australian Chamber of Commerce and Industry speaks on behalf of Australian Businesses at home and abroad. The Australian Chamber represents hundreds and thousands of businesses in every state and territory and across all industries. Ranging from small and medium enterprises to the largest companies, our network employs millions of people. The Australian Chamber membership list can be viewed at [www.australianchamber.com.au/membership/current-members/](http://www.australianchamber.com.au/membership/current-members/)

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<sup>1</sup> NSWBC and Sydney Business Chamber, "Industry Research Collaboration Discussion Paper", < <https://www.nswbusinesschamber.com.au/NSWBC/media/Policy/Industry-Research-Collaboration.pdf>>.

<sup>2</sup> NSW Government 2021, "Action Plan Turning Ideas into Jobs – Accelerating Research and Development in NSW", < <https://www.dpc.nsw.gov.au/assets/dpc-nsw-gov-au/publications/Accelerating-research-and-development-in-NSW-listing-1690/Accelerating-RD-in-NSW-Turning-ideas-into-jobs-web.pdf>>.