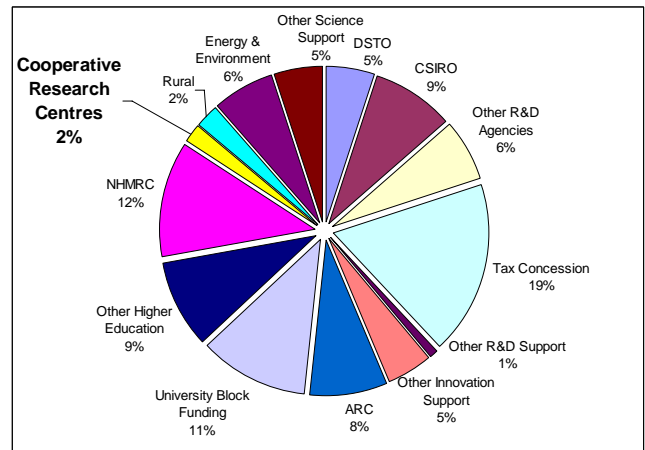


Revised October 2010

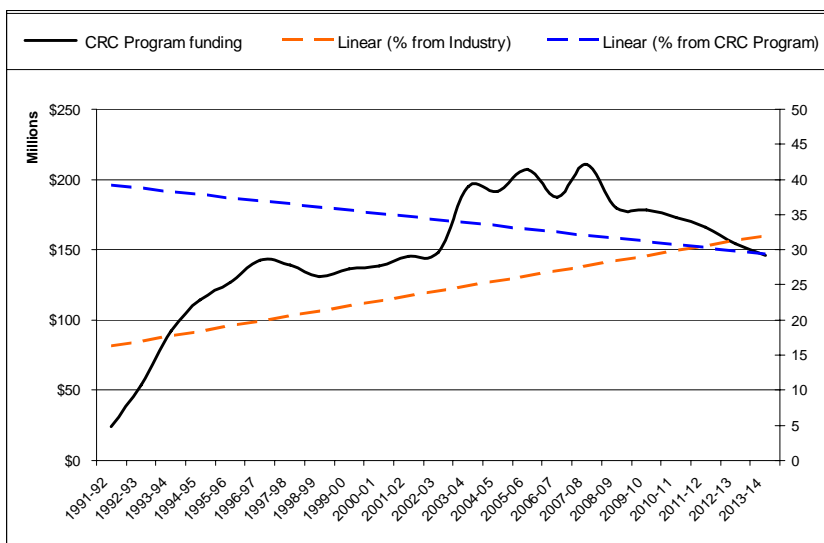
*"To enhance Australia's society, economy and environment through the development of sustained, user-driven, collaborative public-private research centres that achieve high levels of outcomes in adoption and commercialisation".*

Cooperative Research Centres are unique end-user driven collaborations that have had a major impact. They represent a small but important part of Australia's innovation system, being a key contributor to improving industry investment in R&D.

The CRC Program continues to experience excellent support from its participants. In 2010-11 there were over 370 organisations formally recognised as Essential Participants amongst the 42 CRCs. Participants are contributing over \$120 million in cash and \$366 million in in-kind. The CRC Program itself will invest over \$170 million in 2010-11, representing an excellent leverage of 2.9 for the combined cash and in-kind. Over the life of the Program the Commonwealth has committed \$3.3 billion in CRC Program Funds with Participants committing \$10.8 billion in cash and in-kind representing leverage of 3.2. No other program of this



*CRCs represent less than 2% of the Australian Government's spending on innovation (2010-2011 budget). The CRC Program funds applied research and development driven by the needs of end-users.*



kind in Australia enjoys the same support. This critical mass of researchers brought together from the business, government and research sectors gives Australia a tremendous competitive advantage.

Unfortunately the level of contributions from the Federal Government is declining and so reduces the combined benefits to Australia's productivity capacity and innovation potential. The CRC Association strongly believes this trend must be reversed and this Strategic Plan is aimed squarely at doing so.

*The CRC Program has successfully increased industry participation in R&D. As a proportion of the total investment in CRCs, the industry investment has trended upwards (orange line) whereas Federal Government investment has trended downwards (blue line). Since 2007-2008, the total investment by the Federal government has been dropping. (Data DIISR and from "Collaborating to a Purpose", 2008 – figures should be read in conjunction with that report).*

Under "Powering Ideas" the Australian Government has adopted seven equally important National Innovation Priorities to focus the production, diffusion and application of new knowledge. They address industry.

Cooperative Research Centres and similar arrangements meet the National Innovation Priorities and the CRC Association will strive to gain better recognition of the role of CRCs in meeting Australia's Productivity and Innovation agendas.

<p><b><i>CRCs are remarkably well placed to meet the Australian Government's Innovation Priorities</i></b></p> <ul style="list-style-type: none"> <li>✓ Australia has a strong base of skilled researchers to support the national research effort in both the public and private sectors.</li> <li>✓ More effective dissemination of new technologies, processes and ideas increases innovation across the economy, with a particular focus on small and medium-sized enterprises.</li> <li>✓ Australian researchers and businesses are involved in more international collaborations on research and development.</li> </ul>	<ul style="list-style-type: none"> <li>✓ Public research funding supports high-quality research that addresses national challenges and opens up new opportunities.</li> <li>✓ The innovation system fosters industries of the future, securing value from the commercialisation of Australian research and development.</li> <li>✓ The innovation system encourages a culture of collaboration within the research sector and between researchers and industry.</li> <li>✓ The public and community sectors work with others in the innovation system to improve policy development and service delivery.</li> </ul>
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Strategic Objective Action Items	Work Program 2011 <b>Key Performance Indicators (bold text)</b>
<b>1. Positioning the CRC Program</b>	40% of effort will be against this Strategic Objective. <b><i>Achieve a member satisfaction rating of "good" or better in 2011 Survey</i></b>
a. Promote and advocate for the value of CRCs to industry, Universities, CSIRO and Government as the benchmark for research cooperation.	<ul style="list-style-type: none"> <li>• Develop and promote innovation policy that aims at achieving at least the OECD average investment in R&amp;D during the next term of Government.</li> <li>• Improve enthusiasm for participation in CRCs from industry, Universities, CSIRO, State Governments and non-DIISR Federal Government Departments.</li> </ul>
b. Support on-going assessment of the value delivered to the Australian economy through the implementation of CRCs' research outputs	<ul style="list-style-type: none"> <li>• Scope and complete a project to examine the ongoing impact of CRCs beyond their program funding period. The <i>Continuing Impact Project</i> should establish a model for measuring impact of past-CRCs.</li> <li>• Provide Members with information and opinion on models for continuation of CRCs beyond their Government funding period.</li> </ul>
c. Advocate for an appropriate level of funding to the CRC Program consistent with the national needs.	<ul style="list-style-type: none"> <li>• During 2011, the CRCA will build the case for an expansion of funding for the CRC Program based on impact and the widening of the eligibility criteria for the Program.</li> </ul>
d. Recommend enhancements to the design and operation of the CRC Program and its integration in the context of current and emerging models for national research programs.	<ul style="list-style-type: none"> <li>• Scope and complete a <i>Business Simplification Project</i> aimed at reducing the cost and time involved in bidding, establishing, running and winding up a Cooperative Research Centre</li> </ul>
b. Enhance relations with selected Federal and State Ministers and officials so that the CRC Association is a trusted contributor to formulation of government innovation policy.	<ul style="list-style-type: none"> <li>• Improve awareness of CRC opportunities amongst State government Ministers and senior officials.</li> </ul> <p><b><i>Promote CRCs through a financially viable annual conference rated "good" or better by delegates.</i></b></p>
e. Improve public awareness of Cooperative Research Centres.	<ul style="list-style-type: none"> <li>• Build means by which individual CRCs can communicate impact.</li> </ul>

<b>2. Learning and Growing</b>	40% of effort will be against this Strategic Objective. <i>Achieve a member satisfaction rating of "good" or better in 2011 Survey</i>
a. Provide CRCs with tools to improve efficiency and effectiveness of management and administration.	<ul style="list-style-type: none"> <li>• Conduct and deliver a Remuneration Review.</li> <li>• Encourage best practice R&amp;D management amongst CRCs.</li> <li>• Encourage diversity in CRC leadership.</li> <li>• Update the CRCA Operational Toolbox</li> </ul>
b. Improve interactions between CRCs and between CRCs and other organisations in Australia's national innovation system.	<ul style="list-style-type: none"> <li>• CRCA will expand communications to the wider CRC Community through a new Newsletter; enhancements to its website and by forming "Communities of Interest" to facilitate interaction. In 2010-2011, CRCA will run meeting for interest groups in Communications, R&amp;D Business and Education and Training.</li> </ul>
c. Encourage new and prospective CRCs to participate in the Program.	<ul style="list-style-type: none"> <li>• The CRCA will provide encouragement to new bidders through provision of information and networks. The Association cannot provide specific advice.</li> </ul>
d. Develop relationships with similar collaborative research programs internationally.	<ul style="list-style-type: none"> <li>• No priority will be given to this Action Item in 2010-2011.</li> </ul>
<b>3. Conducting the Association's affairs</b>	20% of effort will be against this Strategic Objective. <i>Achieve a member satisfaction rating of "good" or better in 2011 Survey</i>
a. Ensure Association Funds are used against the Strategies to the greatest possible extent	<ul style="list-style-type: none"> <li>• Develop and implement a five-year budget outlook and a sustainable funding model for the CRCA.</li> </ul> <p><i>Achieve a 100% membership rate from those eligible</i></p>
b. Develop corporate governance and management processes as an exemplar for cooperative organisations.	<ul style="list-style-type: none"> <li>• No priority will be given to this Action Item in 2010-2011.</li> </ul>

We plan to conduct six projects during the year. We will build on the success of the previous Economic Impact Study (website) to explore the continuing impact of collaboration after completion of the CRC's term. The Business Simplification project will lead to a greatly enhanced Toolbox for CRC managers. A new Government Relations project will improve awareness of the value of CRCs amongst elected representatives.

Planned Projects for 2011	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec
Government Relations		I						R				O
Continuing Impact		I							F			
Business Simplification	C					F						
Web Forums	C		F									
Remuneration Review				I					F			
Diversity enhancement		I					F					

C = Continued I = Initiated; R = Reviewed; F = Finalised; O = Ongoing

## Operating Environment for the CRC Association

The number of Cooperative Research Centres has dropped from a high of over 70 to 42 (as at October 2010). In mid-2010, the Association surveyed its members and the Association's Board has responded to feedback in this Strategic Plan by:

1. Reducing the number of Strategic Objectives of the Association from four to three;
2. Determining that the Association's resources and efforts will be devoted to the objectives approximately 40% for (1) Positioning the CRC Program; 40% for (2) Learning and Growing and 20% for (3) conducting the Association's affairs;
3. Developing "Communities of Interest" to enhance networking and exchange of information between CRCs and those with similar objectives; and
4. Including measurable Key Performance Indicators in the Strategic Plan for Members to clearly judge performance.

Going forward, the Association plans a range of issues to remain financially viable while promoting and advocating for CRCs:

1. We will seek an increase in Members fees at the 2011 Annual General meeting (from \$8,300 to \$10,000 per Member) based on this Strategic Plan;
2. We will plan for an Annual Conference that runs at a surplus to its costs for the foreseeable future. We wish to have the Association sufficiently healthy in financial terms to be able to host the conference in the smaller capitals or regional centres, if this is in the best interest of members. Annual conference income and expenditure will be reported as part of the CRC Associations accounts;
3. Maintain a Strategic Reserve of approximately six months of the Association's annual operating budget; and
4. We will seek the support of members at the 2011 Annual General meeting for several categories of Associate Membership of the Association in order to cater for bidding CRC syndicates and "alumni" CRCs.

The budget forecasts set out below are aimed at achieving the Strategic Plan, based on the assumptions outlined above. This Strategic plan is aimed at ensuring a viable Association as we build the case for the Australian Government to renew its commitment to the CRC Program and expand funding.

<i>x\$1000s</i>	2010	2011	2012	2013	2014	2015
Membership Fees	354	393	430	450	460	470
Associate Membership	0	0	25	45	60	75
Communities of Interest	21	20	20	20	20	20
Conference/Sponsorships	433	375	400	425	425	450
Projects	0	15	20	25	25	25
Interest	19	20	21	18	18	18
<b>Total Income</b>	<b>827</b>	<b>823</b>	<b>916</b>	<b>983</b>	<b>1008</b>	<b>1058</b>
Salary Costs	345	382	401	421	442	464
Office Operating Costs	90	80	82	83	84	85
Service Costs	51	39	40	41	42	43
Project Costs	42	50	50	50	50	50
Board/Communities of Interest	30	25	25	26	26	26
Conference	433	318	329	340	352	365
Non Cash Expenses	6	8	8	9	9	9
<b>Total Expenses</b>	<b>997</b>	<b>902</b>	<b>935</b>	<b>970</b>	<b>1005</b>	<b>1042</b>
<b>Operating Surplus or (Loss)</b>	<b>(170)</b>	<b>(79)</b>	<b>(19)</b>	<b>13</b>	<b>3</b>	<b>16</b>
<b>Strategic Reserve</b>	<b>556</b>	<b>477</b>	<b>458</b>	<b>471</b>	<b>474</b>	<b>490</b>
<b>Budget %</b>	<b>55</b>	<b>53</b>	<b>49</b>	<b>48</b>	<b>47</b>	<b>46</b>

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