

CRC Association early response to the CRC Programme Review

19 May 2015

The CRC Association represents all CRCs and a number of other members of the Australian research and development community. Individual members will form their own views on the merits of David Miles' review, *Growth through Innovation and Collaboration*.

On initial scanning, the CRC Association is generally very pleased with Mr Miles' review and recommendations. We have two areas of concern.

Firstly, a major concern we have is around the definition of industry and the possible exclusion of so-called "public good" CRCs. We agree with Mr Miles' concerns that "public good" is a difficult and misunderstood term. We prefer to use a term like "national benefit" to describe some CRCs where the ultimate goals are not necessarily commercial goods or services.

Many CRCs aim to provide significant and focussed "national benefit" without aiming for commercial goods or services. For example, the Bushfire and Natural Hazards CRC produces highly packaged and sought-after information on each fire season. The CRC Association would deem it a poor outcome if CRCs such as this were excluded from the bidding process.

Our second concern is the limitation of a CRC's life to 10 years. We disagreed with the limitation to 15 years arising from the last review and have often drawn the metaphor with sport – it is like telling Dawn Fraser she can't compete in a third Olympics simply on the basis of age. We believe merit should be the ultimate factor and the proper authority to judge that merit is the new Advisory Committee.

Mr Miles and the review team in the Department of Industry and Science deserve our gratitude for undertaking this massive task. The CRC Association believes they have done so with an open mind and much goodwill. We note that 251 submissions were received, indicating a very high level of interest (and in a very short comment period). We thank all those that made submissions and look forward to a rejuvenated and renewed CRC Programme in the future.

Media comment

Dr. Tony Peacock, CEO, CRC Association

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Summary of Mr Miles' recommendation	CRC Association response
<p>Recommendation 1</p> <p>As an integral part of the Australian Government efforts to put science at the centre of industry policy the Cooperative Research Centres (CRC) Programme should continue. It is imperative however that it is refocused and targeted to achieve the Australian Government's priorities for applied science and research.</p>	<p>Agree</p> <p>The CRC Association believes the best CRCs are highly focussed on applied industry needs. Therefore, we are supportive of greater focus and targeting.</p> <p>The CRC Association believes government should prioritise their R&D spending and has long advocated that CRCs can often play a very important in meeting particular priorities.</p>
<p>Recommendation 2</p> <p>The programme objectives should be revised to put industry front and centre.</p>	<p>Agree</p> <p>We note that Mr Miles has not recommended restricting the programme to any particular industry and endorse that approach.</p>
<p>Recommendation 3</p> <p>The CRC Programme should be structured into two streams of activity:</p> <ul style="list-style-type: none"> ▪ traditional CRCs to support medium- to long-term industry-led collaborations; and ▪ CRC projects (CRC-Ps) to support short-term, industry-led research. 	<p>Agree</p> <p>The CRC Association has considered "mini-CRC" approaches and the like in the past. There is a strong case for more flexibility and nimbleness in the CRC-like arrangements, especially given the speed at which industry must nowadays react to the market.</p> <p>The recommended approach should have the added benefit of boosting ongoing industry interest as applications are considered more often.</p>
<p>Recommendation 4</p> <p>CRCs and CRC-Ps should work with Growth Centres to share knowledge, experience and resources and achieve common goals.</p>	<p>Agree</p> <p>The Industry Growth Centres are a very important new development. Expectations on them are very high and CRCs should work with them to the greatest degree possible.</p>
<p>Recommendation 5</p> <p>Future CRC and CRC-P funding should be prioritised to support research that delivers outcomes in growth sectors. While the programme should prioritise these sectors it should not do so exclusively to ensure it can respond to emerging priorities and meritorious proposals from other sectors.</p>	<p>Agree</p> <p>We commend the review for maintaining a priority approach, but without closing the door on other sectors. It is the fact that "we don't know what we don't know", so the door should remain open to truly innovative proposals, no matter where they come from.</p>

<p>Recommendation 6</p> <p>Applicants for CRC funding should demonstrate that the proposed research and related activities are in line with the revised programme objectives, and that they will stimulate growth and lead to outcomes including, but not limited to: increased jobs, exports, productivity, integration into global supply chains, new technologies, products or services, increased revenues and intellectual property outputs such as patents.</p>	<p>Agree</p> <p>A modified Impact Tool, showing the “pathway to impact”, would be worthwhile considering.</p>
<p>Recommendation 7</p> <p>Industry should be actively involved in the development of CRC and CRC-P proposals and the subsequent administration, governance and management of any partnership funded through the programme.</p>	<p>Agree</p> <p>CRC Association strongly respects the role of researchers. But we believe for an applied research programme such as ours, the leadership role needs to be taken by the industry players. We stress it should be a truly “cooperative” approach to ensure the best outcomes.</p>
<p>Recommendation 8</p> <p>A simplified and more industry-focused selection and review process should be established, including a new, smaller advisory group. The new process should have a strong focus on industry expertise, management capabilities and research commercialisation skills.</p>	<p>Agree</p> <p>We particularly welcome the re-inclusion of Australia’s Chief Scientist onto the Advisory Committee, which should improve coordination with the national strategic directions.</p>
<p>Recommendation 9</p> <p>When assessing CRC applications regard should be had to:</p> <ul style="list-style-type: none"> ▪ the research programme; the proposed management team; an industry-focused education and training programme; and the broader industry impact of the proposed activities. <p>When assessing CRC-P applications regard should be had to:</p>	<p>Agree</p> <p>CRC Association agrees that these the recommended assessment items are the major predictors of success and are therefore appropriate.</p> <p>We believe an objective assessment of impact should be maintained in the assessment process.</p>

<ul style="list-style-type: none"> ▪ the research project; how the project will be managed; the industry participants and the business case for an industry-led research collaboration; and the broader industry impact of the proposed activities. 	
<p>Recommendation 10</p> <p>All current CRCs should be reviewed by the new advisory group to ensure that they are performing in accordance with their funding agreement and are likely to deliver against their stated outcomes, as well as to determine any potential linkages with the Industry Growth Centres. Only those that are on track to delivering against their stated outcomes should continue for the period of their current funding agreement.</p>	<p>Partially agree</p> <p>Some existing CRCs operating in areas of potential overlap with the Industry Growth Centres have recently undergone major mid-term reviews. Unless problems were identified in those reviews, we believe a further review by the new Advisory Committee would be (1) unnecessarily disruptive to the CRCs involved and (2) a relatively poor use of time by the new Advisory Committee.</p> <p>We urge a common sense approach to each individual case, and fast resolution.</p>
<p>Recommendation 11</p> <p>CRC funding should be limited to a maximum of up to 10 years with no extension of funding. Given the focus on shorter term research, CRC-P funding should be limited to a maximum of up to 3 years with no extension of funding.</p>	<p>Disagree</p> <p>True innovation can take years to develop. If the CRC is reviewed and monitored, the Advisory Committee is in a good position to judge whether further time is warranted. The Advisory Committee should not have to kill off good CRCs simply due to an arbitrary time limit.</p>
<p>Recommendation 12</p> <p>The application, selection, reporting and administrative requirements for each stream of the programme should be simplified and streamlined. These processes should be clearly outlined in the revised programme guidelines.</p>	<p>Agree</p>
<p>Recommendation 13</p> <p>Each new CRC should be established as an incorporated company, limited by guarantee. The composition of the board should reflect relevant experience and expertise. Funding for the CRC should be managed through an agreement between the company and the Commonwealth.</p>	<p>Agree</p> <p>We believe a mandated position avoids fruitless argument about various participants' preferred position. Companies limited by guarantee work well as a CRC vehicle.</p>

<p>Recommendation 14</p> <p>Funding for each CRC-P should be managed through an agreement between an acceptable entity and the Commonwealth.</p>	<p>Agree</p>
<p>Recommendation 15</p> <p>Intellectual Property (IP) agreements should be streamlined for CRCs and CRC-Ps and wherever possible they should use best practice.</p>	<p>Agree</p>
<p>Recommendation 16</p> <p>The priority public good funding mechanism should be discontinued.</p>	<p>Agree – with clarification</p> <p>We agree with the reviewer that the term “public good” is not always helpful and often confusing. We agree with the principle of having a single line of entry to the CRC programme but urge that the definition of “industry” be considered very widely. That is, we do not believe environment and social-oriented CRCs should be excluded.</p>
<p>Recommendation 17</p> <p>CRC performance data collection should be revised to align with revised programme objectives and outcomes.</p>	<p>Agree</p>
<p>Recommendation 18</p> <p>The CRC Programme model should be used and funded by other Australian Government portfolios to achieve their policy objectives.</p>	<p>Agree</p> <p>The CRC model works. Doing things at scale, over a timeframe matched to the problem and with appropriate governance in place works. We strongly believe that other government departments should utilise the CRC Programme to deliver on their innovation needs.</p>