



Australian Government

GLOBAL INNOVATION STRATEGY

A strategy to advance Australia's international industry, science and research collaboration



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MESSAGE

FROM THE MINISTERS

PRIME MINISTER

The Global Innovation Strategy is the key international measure of the National Innovation and Science Agenda.

Just as the agenda is a comprehensive plan to transform our economy so that it is driven by innovation and entrepreneurship, the strategy is a plan to advance our international collaboration, encouraging Australians to leverage entrepreneurial expertise in key locations overseas.

The strategy is a whole-of-government approach that utilises our overseas networks as well as new and existing international programmes to support the transition of our economy from one based on mining and resources to one based on ideas and technology.

The Hon Malcolm Turnbull MP
October 2016

MINISTER FOR FOREIGN AFFAIRS

The strategy is a whole-of-government approach to advance Australia through international collaboration. Australia is well placed to access international supply chains and global markets by virtue of our science, technology and business credentials; highly-educated workforce; and open economy.

The Australian Government is supporting collaboration through our international networks, including over 100 overseas posts. The strategy is complemented by other key initiatives such as the government's economic diplomacy agenda, global alumni engagement strategy, and Department of Foreign Affairs and Trade's science diplomacy agenda.

The Hon Julie Bishop MP
October 2016

MINISTER FOR INDUSTRY, INNOVATION AND SCIENCE

The government's vision is for Australia's economy to be driven by innovation and science and the strategy is a key part of realising this vision.

It seeks to advance new ideas by encouraging international industry, science and research collaboration. The strategy aligns existing government initiatives with new ones under the agenda and will enable us to harness new sources of jobs and growth as a result.

A key part of building an innovation economy is taking full advantage of the opportunities available internationally to improve our capacity and build global markets for our innovations.

The strategy acknowledges that industry, science and research play a critical role in helping to secure existing jobs, capitalise on the opportunities from emerging jobs and discover future job opportunities.

The Hon Greg Hunt MP
October 2016

MINISTER FOR TRADE, TOURISM AND INVESTMENT

The best innovations are born out of collaboration. Maintaining contact with cutting-edge science around the world and gaining access to the world's most successful innovation hubs will help ensure that the ideas of Australian scientists, researchers and entrepreneurs grow into successful products and services.

With an initial investment of \$36 million over four years the government is confident that the strategy's new initiatives, combined with existing programmes, will act as 'passports' to global opportunities for Australian businesses and researchers.

The Hon Steven Ciobo MP
October 2016

ADVANCING AUSTRALIA THROUGH INTERNATIONAL COLLABORATION

AUSTRALIA IS A SIGNIFICANT CONTRIBUTOR TO WORLD LEADING RESEARCH AND HAS A STRONG HISTORY OF PRODUCING SOME OF THE WORLD'S BEST INNOVATIONS.

Even with this strong history there is more we can do to leverage our past successes and current strengths to assist our transformation into one of the world's standout innovation economies. Through international collaboration and linking innovation ecosystems we can position Australia to meet challenges, opportunities and global trends such as Industry 4.0.

The Global Innovation Strategy will improve Australia's international innovation and science collaboration by aligning existing and new initiatives with the desired outcomes under the National Innovation and Science Agenda. The strategy addresses known vulnerabilities and challenges through international collaboration and startup support and shifts engagement towards multi-partner collaborative projects.

The strategy leverages and builds on existing government initiatives to:

- enhance whole-of-government global engagement
- build business-research collaboration
- draw talent and investment into Australia
- increase links to global value chains
- facilitate an innovative, open marketplace for Australian businesses and researchers in the Asia-Pacific.

THE NATIONAL INNOVATION AND SCIENCE AGENDA

The strategy is one of the 24 measures in the National Innovation and Science Agenda announced by the Australian Government in December 2015. The agenda is designed to encourage new ideas in innovation and science, and harness new sources of growth to deliver the next age of economic prosperity. The agenda's initiatives are grouped under four pillars:



The strategy supports outcomes under these pillars by better leveraging our world-class researchers and research organisations to improve collaboration between industry and research. This includes research commercialisation and helping innovative Australian businesses to compete and succeed on the global stage.

TOWARDS AN INNOVATION ECONOMY

The strategy is underpinned by funding initiatives that will help Australia's innovative entrepreneurs and researchers to collaborate and utilise international opportunities.

Australia is well positioned to compete and succeed in international markets as a result of our:

- knowledge-based economy
- highly educated and urbanised workforce which has significant levels of digital connectivity
- modern research infrastructure and strong intellectual property protection
- world-class scientific and research institutions
- global reputation as a significant contributor of solutions to complex problems through world-leading research
- liberal trade and investment policy settings.



Australia has an open economy at the gateway of Asia, the world's fastest growing region. We have a strong track record of trade within the region and close cultural and diplomatic ties with key economies. In addition we are actively building our relationships with current and emerging science powers.

However, Australia faces a number of significant challenges to becoming one of the world's standout innovation economies, including:

- a poor record of collaboration among our business and research sectors, both here and overseas
- the need to convert more ideas from Australian researchers into practical commercial applications
- our relatively small market, making it difficult for startups to attract the required capital investment
- the impact of new technologies accelerating global demand for high value, innovative products and services.

International collaboration increasingly facilitates the development and transfer of research and knowledge in achieving improved research outcomes, business opportunities and new innovation.

Focused support through the strategy's initiatives will provide opportunities to lead and collaborate on large scale international science and research activities.

By continuing to build linkages with key economies, Australia will be able to improve research and business performance and access international supply chains and global markets.

The strategy's structured and coordinated approach, will also enhance our science diplomacy and entrepreneurial initiatives to support our strategic and economic objectives.



SUPPORTING GROWTH

THE STRATEGY REPRESENTS AN INTEGRATED AND COORDINATED APPROACH TO AUSTRALIA'S ENGAGEMENT WITH INTERNATIONAL PARTNERS IN INNOVATION AND SCIENCE.

The strategy is designed to:

- encourage other countries to partner with Australia
- draw together existing resources and programmes
- access opportunities through international collaboration and startup support
- shift engagement to scalable, more effective multi-partner collaborative projects.

By aligning our existing and future international science and innovation engagement activities with the agenda's four key pillar outcomes, the strategy will foster research and industry links. It will build on these to create commercial partnerships to improve the global reach of Australia's economy through innovation.

With an initial investment of \$36 million over four years in funding initiatives, the strategy will support economic and science diplomacy efforts to:

- foster, improve and promote international industry–research collaboration and whole-of-government global engagement, entrepreneurship, innovation, science and research
- build strong research and business connections within the Asia-Pacific region
- leverage Australian Government investment in international programmes to help foster and support a dynamic Australian innovation system.

BENEFITS FOR AUSTRALIAN FIRMS AND RESEARCHERS THAT COLLABORATE INTERNATIONALLY ARE MANY AND VARIED

BENEFITS FOR BUSINESS

Working together with international researchers can help you to:

- get a fast foothold into new markets
- develop new ideas, products and services for the market, increasing your exports
- get expert advice and access to the latest knowledge, process expertise, technology and equipment
- access skilled and work-ready researchers
- achieve lower costs throughout your operations, from labour to materials and infrastructure.

BENEFITS FOR RESEARCHERS

Working with international businesses means the opportunity to:

- ensure industrial relevance, application and commercialisation of your research
- produce high-quality research that translates directly into real world outcomes—social, economic and environmental
- improve your employability and professional standing
- build valuable contacts and networks
- build a reputation as a world-class research institution open to business.



**INNOVATIVE FIRMS ARE MORE
COMPETITIVE, MORE ABLE TO CAPTURE
INCREASED MARKET SHARE AND MORE
LIKELY TO INCREASE EMPLOYMENT**

GLOBAL OUTLOOK, NATIONAL BENEFIT

THE GLOBAL INNOVATION STRATEGY'S INTEGRATED APPROACH

THE STRATEGY'S INTEGRATED APPROACH OFFERS MANY BENEFITS TO AUSTRALIA INCLUDING:



FOSTERING

- the exchange of information and development of collaborative networks
- new ideas to respond to emerging global opportunities and challenges
- foreign investment in our innovative ideas.

IMPROVING

- outcomes for our identified industry growth sectors and national Science and Research Priorities
- our research–industry collaboration
- commercialisation of research outcomes
- our science, technology, engineering and mathematics capability.

PROMOTING

- open markets to increase competition and expand opportunities
- opportunities to share research and technology infrastructure
- incentives for the world’s best and brightest to pursue opportunities in Australia.

BUILDING

- a culture of innovation and risk taking on smart ideas
- partnerships benefiting Australia’s evolving economy
- networks and opportunities to maximise outcomes and business growth
- our research and innovation talent pool
- access to global markets and supply chains.

LEVERAGING

- our research to diversify our economy
- international innovation to build new markets for Australian entrepreneurs
- investment in scholarships and engagement with diaspora and the business community
- Australia’s global network of overseas posts to support the agenda’s goals.





GLOBAL CONNECTIONS FUND



This \$4.9 million programme provides seed funding to enable Australian small to medium enterprises (SMEs) to link with international researchers, and Australian researchers to link with international SMEs, to seize opportunities and explore collaborative projects.

The fund comprises two types of grants:

- Priming Grants are small grants of \$7,000 to enable Australian SMEs and researchers to physically meet with their international partners and develop their collaborative ideas.
- Bridging Grants are larger grants (up to \$50,000) designed as seed funding capital to enable viable projects to grow in scope and scale, to test commercialisation and proof-of-concept activities.

These grants are administered by the Australian Academy of Technology and Engineering on behalf of the Australian Government.

For more information on the Global Connections Fund, including the application process, visit globalconnectionsfund.org.au.



GLOBAL INNOVATION LINKAGES



This \$16.5 million programme supports groups (or consortia) of Australian industry and research organisations with grants—up to \$1 million per grant over a maximum of four years—to engage with international partners to undertake research and development projects.

The programme provides funding to assist Australian businesses and researchers to collaborate with global partners on strategically focused, leading-edge research and development projects. The programme will support projects focused on developing a high quality product, service or process that will respond to industry challenges. It aims to increase industry-research linkages and capitalise on global opportunities for the use and commercialisation of research outcomes.

Prospective applicants are strongly encouraged to engage with the Industry Growth Centres when developing proposals to ensure they are focused on their sectoral needs and have the right partners to successfully undertake the project.

For more information on the Global Innovation Linkages programme, including programme guidelines, visit business.gov.au/GIL.

LANDING PADS



This \$11.2 million initiative is designed to provide market-ready startups with a short-term (90 day) operational base in one of five global innovation hotspots.

Austrade has established five Landing Pads in San Francisco, Berlin, Shanghai, Tel Aviv and Singapore – locations renowned for their innovation and startup ecosystems and accessible networks of entrepreneurial talent, mentors and investors.

Australian startups will be provided with a 90-day residency at a reputable co-working space, giving them the opportunity to learn from some of the best global startup enterprises, assisting them to accelerate the design and development of their business model.

Participants will receive tailored business development assistance from an Austrade Landing Pad Manager, including identifying and facilitating access to customers, investors and strategic partners.

The Landing Pad Manager's extensive in-market experience, combined with Austrade's established business and investor networks, will assist the startups to scale up their business and expand into international markets. Austrade is also building on its relationships with key corporates and other organisations to create a strong network of people, companies and programmes to access the global innovation ecosystem.

For more information on the Landing Pads initiative visit australiaunlimited.com/landing-pads.

REGIONAL COLLABORATIONS PROGRAMME



This \$3.2 million programme aims to build strong regional linkages in the Asia-Pacific by funding multi-partner activities that facilitate greater science, research and innovation collaboration in delivering innovative solutions to shared regional challenges.

These activities will, in turn, reduce collaboration barriers and promote an open approach to science, research and industry collaboration through Australian-led projects and multilateral fora.

This investment in collaborative engagement will help establish enduring and impactful networks.

The programme is managed by the Australian Academy of Science on behalf of the Australian Government.

For more information on the Regional Collaborations Programme visit science.org.au/regional-collaborations-programme.

EXISTING SUPPORT

FOR AUSTRALIAN INTERNATIONAL INNOVATION AND SCIENCE ENGAGEMENT

IN 2015-16 THE AUSTRALIAN GOVERNMENT INVESTED \$9.7 BILLION IN SCIENCE AND RESEARCH. THIS IS ON TRACK TO INCREASE TO \$10.1 BILLION IN 2016-17. MUCH OF THIS IS TO ENABLE WORLD CLASS RESEARCH, FROM BASIC SCIENCE THROUGH TO APPLIED RESEARCH AND DEVELOPMENT, IN OUR UNIVERSITIES AND RESEARCH ORGANISATIONS.

A proportion of these funds supports greater international engagement. The government is also investing \$1.1 billion through the National Innovation and Science Agenda to support innovation and science and enhance existing domestic and international activities. The following are examples of existing initiatives that support Australia's international engagement and align with the agenda's four key pillars.



CULTURE AND CAPITAL
Helping to build a culture of innovation and risk taking on smart ideas in Australia by encouraging

foreign investment in our innovation economy, including venture capital from overseas.

The government will continue to pursue an ambitious international trade and investment liberalisation agenda through the conclusion and implementation of comprehensive free trade agreements (FTAs) and multilateral trade negotiations.

Through the agenda's \$8 million Incubator Support Programme Australia's venture capital industry will be supported and more international investment in Australian innovation and innovative startups encouraged.

The government continues to support Australian businesses, including Australian SMEs, to expand internationally, particularly by tapping into global and regional supply chains. The Industry Growth Centres initiative is an example. It aims to lift competitiveness and productivity by focusing on areas of competitive strength and strategic priority. This assists Australia to transition into smart, high-value and export-focused industries.

Centres are being established in six sectors of competitive strength and strategic priority: advanced manufacturing; cyber security; food and agribusiness; medical technologies and pharmaceuticals; mining equipment, technology and services; and oil, gas and energy resources.

COLLABORATION
Increasing collaboration to improve research outcomes, deliver new ideas, facilitate commercialisation of research and assist Australian innovators to access global supply chains.

Fostering increased international engagement is also critical in many of the projects supported by the government. These include bilateral programmes such as the Australia-China Science and Research Fund and the Australia-India Strategic Research Fund, together with competitive research funding through the National Health and Medical Research Council and the Australian Research Council, which provides flexibility for international partner involvement. Programmes like the Cooperative Research Centres enable our researchers and industry to engage globally.

Australia's membership of specialist international groups provides our scientists and researchers with world-class infrastructure and collaborative networks at home and overseas.

These include the Square Kilometre Array radio telescope project (which Australia co-hosts), the OECD Global Science Forum working group, Group of Senior Officials on Global Research Infrastructures, and leading science laboratories such as the European Molecular Biology Laboratory.

Complementary Australian initiatives, such as the National Collaborative Research Infrastructure Strategy, further enable Australian researchers to access necessary infrastructure and expertise overseas.

TALENT AND SKILLS

Attracting and retaining the best and brightest innovators from Australia and abroad, creating international networks to harness opportunities to maximise research outcomes and grow business.

As articulated in the National Strategy for International Education 2025, the government will continue to support Australia's position as a global leader in education and research. A strong focus on international partnerships will help increase researcher mobility and collaboration. By capitalising on our existing research strengths we will leverage our capacity to deliver solutions to national, regional and global challenges.

Another example of an existing aligned initiative is the Endeavour Scholarships and Fellowships. These scholarships and fellowships build Australia's reputation for excellence in providing education and research, support the internationalisation of the Australian higher education and research sectors and offer high-achieving Australians opportunities to increase their knowledge and expertise in their fields.

Our visa system is also being enhanced to attract entrepreneurial talent and skills to Australia. The government will provide incentives for the world's best and brightest to pursue opportunities in Australia, providing our industries with a broader talent pool to draw from.

Through the Australian Global Alumni Engagement Strategy 2016–2020 we will continue to engage with our alumni to help further build Australia's trade, investment and business linkages. Engaging our alumni plays an important role in promoting our capabilities and credentials in education, science, research and innovation.

GOVERNMENT AS AN EXEMPLAR

Delivering international policy and programmes innovatively by trialling new ideas and policy settings in response to emerging global opportunities.

Australia's commitment to supporting strategic international science, technology and innovation collaboration is demonstrated through a variety of existing mechanisms.

These include bilateral and multilateral treaties, memoranda of understanding and international fora such as the APEC Policy Partnership on Science, Technology and Innovation, ASEAN, the United Nations, G20 and regional groupings such as the Indian Ocean Rim Association.

The government will continue to facilitate greater international engagement and collaboration in innovation through our wide-reaching network of diplomatic representations in science, research, intellectual property, foreign affairs and trade.

Australia's national innovation and science credentials are also promoted through targeted activities and opportunities for collaboration identified by the Australian Government's Economic Diplomacy agenda, which includes its Science Diplomacy Strategy and other public diplomacy initiatives.

The government's commitment to fostering innovation is furthered through the Department of Foreign Affairs and Trade's innovationXchange. The innovationXchange is enabling new and innovative ways to design and deliver the Australian aid programme, and to support fresh policy thinking across government.





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