DASSH response to the Call for Comment on the Joint Department of Education and Department of Industry discussion paper, *Boosting the Commercial Returns from Research*

The Australasian Council of Deans of Arts, Social Sciences and Humanities (DASSH) welcomes this opportunity to respond to the Joint Department of Education and Department of Industry discussion paper *Boosting the Commercial Returns from Research*.

Part A

We note the four ambitions of the Competitiveness Agenda (p. 2):

1. A lower cost, business friendly environment with less regulation, lower taxes and more competitive markets;
2. A more skilled labour force;
3. Better economic infrastructure; and
4. Industry policy that fosters innovation and entrepreneurship.

In addition, we also acknowledge the four elements used to illustrate the claim that Australia has a poor knowledge transfer base (p. 4).

In our view, the bulk of the discussion paper presents an overly narrow conception of the factors that support translation of public research into commercial outcomes. DASSH maintains there are other important and indirect roles that public research can play in boosting the economy, creating the conditions for a business friendly environment, improving labour force skills, enhancing economic infrastructure and supporting innovative thinking.

Publicly funded research can assist governments to create and support social infrastructure that can improve health and public housing, reduce the causes of crime and social isolation, increase educational attainment, and underpin social innovation and social entrepreneurship. Each of these contributes to economic infrastructure, skilling of the labour force, enhance the capacity for businesses to thrive and creating the conditions for the kind of inquisitiveness necessary for driving innovation. Research has consistently shown that capital will leave urban environments that have high crime rates and dysfunctional environment; the research also shows that capital is attracted to places with strong social cohesion and vibrant educational and creative arts environment for their workforce.[1]

[1] See, for example, Deloitte Access Economics 2012. "The socio-economic benefits of investing in the prevention of early school leaving" available at http://handsonlearning.org.au/DAE_investing_in_preventing_ESL_via_HOL_September_2012.pdf; Stern, M. and Seifert, S. 2010. "Cultural Clusters: the implications of cultural assets agglomeration for neighborhood revitalization" *Journal of Planning Education and Research* 29(2): 262-279; Sleutjes, B. and Schutjens, V. 2013. "Anchoring of Firms in the Neighbourhood: Does Local Social and Physical Order Affect Local Firms' Investment Strategies?" *European Planning Studies* 21(8) 1256-1275.

DASSH recommendation 1: *Education and Industry policy would be better able to support the positive economic impacts of public research if the potential for commercial returns were understood as situated in a much wider continuum of economic benefits that are gained from public research.*

Part B

Part B of the discussion paper addresses the potential to target research effort. Australia has had a history of forward thinking national science policy that acknowledged the importance of *curiosity-driven* research as a crucible for innovation that could underpin economic prosperity. There has been a long history of governments (and markets) unsuccessfully attempting to "pick winners" and to back technologies that are touted in their early development as having significant economic potential. In the absence of coherent science policy, R&D in industry risks being overly short-sighted; lacking an adequate understanding of global science developments that are relevant to advances from public research. It is unclear whether the new Commonwealth Science Council will have the breadth of experience required to anticipate and address emerging social and ethical issues arising from scientific developments (unlike prior science councils in the past which included leading Humanities, Arts and Social Sciences [HASS] researchers). Science excels at making better 'mousetraps' but catching people with those traps requires expertise in the social and behavioural sciences.

DASSH recommendation 2: *That the Commonwealth Science Council's membership is expanded to include HASS researchers of equivalent standing to the scientists in the current membership.*

Part C

Part C of the discussion paper emphasises the need for greater collaboration between universities and businesses. Currently there are a number of barriers to collaboration by HASS sector researchers with businesses, including the explicit exclusion of HASS research from the current R&D tax incentives.[2] At the same time, HASS research, which may have commercial or wider economic impact, has often been excluded from eligibility for publicly funded research support (e.g. Super Science Fellowships, International Science Linkages and, in the past, CRCs, and NCRIS).[3]

DASSH recommendation 3: *That Government review and lift barriers to investment in HASS research by industry and businesses, and that tax incentives apply to R&D regardless of discipline*.

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[2] AusIndustry 2014. *The R&D Tax Incentive: A guide to interpretation*. Department of Industry, Canberra; p. 31; see also Turner, G. and Brass, K. 2014. *Mapping the Humanities, Arts and Social Sciences in Australia.* Australian Academy of the Humanities, Canberra; p. 43.

[3] See *Mapping the Humanities, Arts and Social Sciences in Australia.* Australian Academy of the Humanities, Canberra; 42-43.

DASSH recommendation 4: *That public research funding opportunities are reviewed to ensure that HASS research is not arbitrarily excluded from access to public research funding that aims to support the economic benefits from research.*

Part D

Part D of the discussion paper also explores the lack of an entrepreneurial outlook or innovation in Australian businesses. One way of improving entrepreneurship among HASS graduates and of fostering greater collaboration between university researchers and businesses, is to provide support for industry-placed HDR training and industry/business embedded PhD projects. Social science, education, and creative arts disciplines can offer a good range of examples of successful collaborative projects, and there are also examples in the humanities (e.g. cultural heritage) where the collaborations have opened up new markets and new products.[4]

DASSH recommendation 5: *That there are greater incentives for industry and businesses to contribute to HDR training opportunities and PhD programs in HASS disciplines.*

Some further considerations

Most larger businesses in Australia are owned by large transnational corporations, which often conduct R&D in their home country, not in Australia. It is widely acknowledged that most Australian companies are too small to be able to afford significant R&D investment. It is probable that, for the majority of Australian businesses and industries, the opportunities for innovation are practically limited by their size and the scale of the markets they serve.

If Australian universities are given new incentives to control the commercial development of their basic research, those universities will be in competition with, rather than in support of, local industry and businesses, potentially having the unintended consequence of making the business environment harder for local businesses to succeed. Universities are very good at basic research and public good research; these should support a vibrant economy through collaboration with the public sector, non-government, industry and business globally as well as in Australia, rather than as a means of boosting the profit margins of public institutions.

Finally, the measures proposed in the discussion paper have far-reaching implications for stakeholders in the research and industry sectors. To ensure a robust strategy and successful implementation, continued consultation with all parties is required.

DASSH recommendation 6: *Government should be very cautious about creating incentives for public research institutions to compete with local industry and business.*

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[4] For example, Queensland University of Technology's Creative Enterprises Australia; Australian National University's Australian Social Science Data Archive (ASSDA) Services for e-Social Science (ASeSS); and the University of Western Australia's Pilbara rock art partnership with Rio Tinto.

DASSH recommendation 7: *Government should ensure that consultation with all relevant stakeholders is continued at all stages of the strategy development and implementation.*

About DASSH

The Australasian Council of Deans of Arts, Social Sciences and Humanities (DASSH) is the authoritative agency on research, teaching and learning for the Arts, Social Sciences and Humanities (ASSH) in Australian and New Zealand universities.

DASSH supports those within these institutions who have responsibility for the governance and management of research and teaching and learning in their universities. DASSH also supports those who aspire to these positions through a Network of Associate Deans (Learning and Teaching) and a Network of Associate Deans (Research).