

## A review well received

The review of the Co-operative Research Centre (CRC) program, chaired by Professor Mary O’Kane, has been well received by the research sector.

CRC’s are an important niche program in Australia’s funding and policy framework for R&D. The program is held in quite some affection not least of all because it was a ‘new-to-the-world’ policy innovation devised by Australia’s then Chief Scientist, Ralph Slatyer, in the early 1990s. Interestingly, it appears Slatyer realised that he would struggle to persuade the Hawke/Keating Government to tip more funding into existing programs so he carefully identified a real gap in the policy framework; a fine example of understanding politics that the research and science community should not forget.

But sentiment is not a compelling reason to maintain a funding program and for some time there was a growing sense that the CRC program was losing its way. Changes in selection criteria around public good research, tensions over IP management, issues over multiple renewals, and erosion of universities’ capacity to provide discretionary research funding, created doubts about the efficacy of the program.

O’Kane’s review panel has done a fine job of addressing many of the problems while emphatically recognising that Australia needs big, risk-focused, collaborative research efforts directed at significant national economic, environmental and social issues.

The 22 recommendations, if implemented, would lead to more flexible, demand-driven CRCs. They accentuate the purpose of the CRC program, which is to support collaborative research aimed at challenges identified by end-users within a fixed time frame, as distinct from building research institutions for their own sake. There is a strong sense that over the years many CRCs spent a great deal of time and effort into building a perpetual research institution, at the expense of flexibility in research and in the co-operative relations between partners.

The review acknowledges that a revitalised CRC program has an important role to play in a portfolio of research programs and should provide complementarity with ARC Linkage grants, CSIRO Flagships and Centres of Excellence. Building effective connections between such programs will help ensure the quality of the science in the CRCs is high, but it also highlights Australia’s need to adopt a more sophisticated portfolio approach to managing risk across all Government research programs.

One positive outcome of the focus on end-users identifying risks and challenges that require research, is the prospect of greater demand-side capabilities in industry, government and community sectors to both identify problems and adopt the knowledge and ideas that arise from the research.

How this plays out in practice remains to be seen. In the manufacturing sector, finding generic problems that firms can readily cooperate and participate in may not be as easy as other sectors, notably

mining or agriculture.

It will also be very interesting to see whether Governments can operate as an effective end-user. Governments are both a funder and a very significant user of research but despite the rhetoric of evidence-based policy, experience suggests they are very uneven ‘end-users’.

One of the ‘quieter’ achievements of the CRC program is its education and research training activities. This aspect of CRCs deserve greater emphasis as it is an effective way to build demand-side capacities of firms and provide greater visibility and focus on developing pathways for ‘industry-ready’ post-docs. This could be particularly important if the objective of getting more SMEs involved with CRCs comes to fruition.



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While the recommendations are intelligent and sensible and will, if implemented, provide a stronger basis for them to flourish, CRCs will remain vulnerable in some areas.

As O’Kane’s committee are fully aware, managing IP has been an on-going issue. In some CRCs relations between CSIRO and universities become quite frosty at times, in part because of unrealistic expectations of the value of the IP. Rather than spending time and effort on locking up IP, flexibility and rapid adoption should be the primary focus for generating wider economic benefits.

The capacity of universities to participate in CRCs will be a critical factor in the future. Successive Governments have been addicted to partial funding of direct research costs and systematic under-funding of indirect costs. This means universities have very little real discretionary funding available, which means that leveraging from external agencies has become increasingly problematic.

Nevertheless, the O’Kane review has recommended that cash investment should count more than in-kind commitments. While there is a certain logic to that, it will mean that universities might start applying very high threshold tests to their involvement in CRCs. That will be a major problem for CRCs as universities provide the underpinning research know-how and technical expertise necessary to address key problems.

If the funding issues for research in general are addressed in the next one or two budgets then the prospects for CRC to make strong collaborative impacts on a diverse range of big issues looks very encouraging. A healthy pluralistic policy and funding environment for R&D certainly needs adventurous, robust, demand-driven programs focused on compelling social, economic and environmental issues.

#### Key recommendations are:

- *continue the program with some additional funding;*
- *position CRC research in the pre-competitive/pre-application space to encourage wide adoption rather than a narrow focus on commercialisation;*
- *more flexible time frames (4 – 7 years) including a maximum funding life of 10 years;*
- *CRCs to tackle significant risks and challenges as identified by users; and*
- *public good research re-instated as a selection criteria, where the need is identified by Government, industry or other end-users.*