



Australian Government

Department of Industry  
Innovation, Science, Research  
and Tertiary Education

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# Innovation Policy Report

June 2012

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# DEPARTMENTAL DEVELOPMENTS

## **NEW: Business.gov.au**

The [business.gov.au](http://business.gov.au) website is an online government resource for the Australian business community. It provides a wide range of services and information business activities, taxation, licensing and legislation, as well as significant transactions such as ABN Lookup, taxation compliance and license applications.

A new topic on [innovation](#) was launched on the website in May 2012, to provide advice for business on innovation developments in Australia, ways to incorporate innovative practices into business, information on intellectual property and collaboration as well as case studies on the value of innovation from Australian businesses.

## **NEW: Inter-departmental meeting on biomass-based industries**

On 16 May 2012, DIISRTE hosted an inter-departmental meeting on biomass-based industries in Australia. Biomass-based industries use recently living material, such as crop or forestry residues or organic waste, to manufacture goods such as biofuels and bioplastics, or to make platform chemicals used by other industries to produce goods.

The purpose of the meeting was to initiate discussions on the potential for such industries to contribute to a number of government objectives, including increased productivity, regional development and reducing greenhouse gas emissions, and to discuss the appropriate role for government in supporting this sector. Discussions drew in part on two scoping studies commissioned by DIISRTE that looked at the viability of establishing biomass based industries in Australia

In attendance were the Departments of Agriculture, Fisheries and Forestry; Climate Change and Energy Efficiency; Finance and Deregulation; Industry, Innovation, Science, Research and Tertiary Education; the Prime Minister and Cabinet; Regional Australia, Local Government, Arts and Sport; Resources, Energy and Tourism; Sustainability, Environment, Water, Population and Communities; the Treasury; National Industrial Chemicals Notification and Assessment Scheme; Office of the Gene Technology Regulator; and the Commonwealth Scientific and Industrial Research Organisation.

Attendees are now consulting within their agencies on programs and policies that may support biomass-based industries and on the recommendation contained in the two scoping studies, and will report back at the next meeting of the group in August.

The scoping studies on Australian biomass-based value chains are available on the department's website:

<http://www.innovation.gov.au/Industry/Biotechnology/IndustrialBiotechnology/Pages/BioeconomyandIndustrialBiotechnology.aspx>

## **NEW: New Manufacturing Technology Innovation Centre Announced**

Minister Greg Combet announced in a press release on 8 May 2012 the creation of a new \$29.8 million [Manufacturing Technology Innovation Centre](#) which will bring together researchers and manufacturers to drive innovation through new and improved industrial products and processes. The Centre will create, foster and leverage innovative Australian industrial design, engineering and product development, including through the spread of leading edge technologies, business processes and technical knowledge.

The Centre will be led by industry through the creation of a small number of sectoral collaborations involving major manufacturers, small and medium enterprises, public research agencies including CSIRO, and universities. Successful industry collaborations will also be able to draw on related innovation infrastructure and support, including:

- The services of Austrade; AusIndustry, Commercialisation Australia and Enterprise Connect;
- The new \$236 million Industrial Transformation Research Program;
- Relevant Cooperative Research Centres and the Australian Manufacturing Technology Institute Limited;
- Skills and training through the National Workforce Development and Productivity Agency and associated Fund.

The initiative will provide examples of best practice, and will also work to facilitate access by manufacturing SMEs to appropriate facilities with the aim of reducing risks associated with product development.

## **NEW: How healthy is Australia's science system?**

Australia's Chief Scientist, Professor Ian Chubb launched the [Health of Australian Science report](#), a comprehensive overview of Australia's science system, outlining our strengths and vulnerabilities on 23 May 2012.

Speaking at the National Press Club in Canberra, he acknowledged the close link between science and innovation. He said that "if our aim is to build an Australia that is healthy and safe, socially, culturally and economically prosperous; an Australia facing the future with confidence, we need productivity and innovation."

The report concludes that overall, the nation has a healthy and robust science system, but that some challenges will test Australia's future well-being and prosperity if no action is taken. Both engineering and agricultural sciences are highlighted in the report as being vulnerable but both are crucial for Australia's future.

Opportunities outlined in the report include developing a more strategic research funding system and improving the relationships between science and industry.

“The science degree prepares students for a lifetime of critical thinking, a drive to find evidence and an understanding of how our society fits into the broader picture of the world, all of which are invaluable for the development of a prosperous Australia,” he said.

## **Coordination Committee on Innovation (CCI) Meeting – 20 April 2012**

A CCI meeting was held on 20 April 2012. Outcomes of the meeting include:

- Notification of new arrangements for the Prime Minister’s Science, Engineering and Innovation Council, and how they can feed into CCI.
- Update on the implementation of Clean Energy Futures.
- Discussion of the draft revised Principles of IP Management for Publicly Funded Research, which includes improved alignment with the government’s collaboration agenda (e.g. Open Government, Open Access), and agreement that the draft revision will be released for consultation with stakeholders.
- Ways forward to implement findings of the Enhancing International Business Collaboration project.
- Discussion about National Collaborative Research Infrastructure.
- An update on state and territory demand-led innovation initiatives, including state’s “voucher systems”.
- CSIRO plans for Innovation Precincts to encourage collaboration and build Australia’s international competitiveness.
- The Department’s preparation for Australian Government Innovation Week (2-8 June) including collaborative workshops, events and presentations – including GovJam, a two day event run for public service staff to learn and apply their skills and experience in designing better service delivery.

The next CCI meeting will be held towards the end of this year.

## **Delegation to the US regarding Venture Capital**

A delegation from the Department travelled to the U.S. in March 2012 to meet high level venture capital stakeholders. The trip aimed to gain insights into what would encourage overseas investment into Australia and what lessons can be applied to Australia. While Australia has strong economic fundamentals, high quality research outputs, a robust regulatory system, and a developing innovation ecosystem, the level of knowledge that overseas investors possess about Australia’s innovation landscape and investment opportunities is generally low.

Key messages included:

- Australia to better market its successes in early stage company growth
- Favourable tax treatment of share options for executives of start-ups;
- Tax settings to stimulate entrepreneurial and investment activity;

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- Focusing effort on areas of strength rather than trying to do everything;
- Good venture ecosystems act as magnets for investment - e.g. Silicon Valley;
- Venture successes attract the attention of international investors;
- An entrepreneurial culture facilitates investment and growth of new technology companies.

## **Innovation Australia Board's Site Visits**

The May Innovation Australia Board meeting was held in Perth, and it featured company and site visits to Perth-based innovation program firms. The visits showed first hand the benefits of government support, and also demonstrated the challenges facing organisations involved in innovation and commercialisation activities, including the impact that exports and skills shortages has by a high Australian dollar.

Members visited the [Australian Marine Complex](#) which is a centre for manufacturing, maintenance and technology development, servicing the marine, defence and resource industries. The Centre encourages the clustering of complementary businesses, and provides appropriate support for training and skills for local industries.

Members also visited the [Australian Submarine Corporation](#) a defence shipbuilding corporation with naval design and engineering resources. The Corporation's commitment to supporting the local industry, implementing productivity and efficiency improvements as well as conducting research and development for future Australian submarines was observed.

As part of the May meeting, Innovation Australia also held a networking business breakfast. This was the first event of its type to be hosted by Innovation Australia, and Members were pleased with the valuable participation of many business leaders, entrepreneurs, researchers and key industry stakeholders.

## **Review of publications under the Higher Education Research Data Collection (HERDC)**

In acknowledgement of the changing way in which research outcomes are published, the department is conducting a review in 2012 to closely consider the treatment of publications in the [HERDC](#).

In particular, the publications review will examine in detail the parameters by which research published electronically should be defined and included in future years.

The review will also consider the merits of expanding the definition of publications to include further measures of engagement, for example patents, licenses or publications that include government or industry co-authors.

The department is currently determining membership of the review working group in consultation with the university sector. Outcomes from the

publications review and the associated consultation process will inform the development of the 2013 HERDC Specifications.

## **Research Training Quality in Australia**

In October 2011, a discussion paper was released on research training quality: *Defining Quality for Research Training in Australia*. The department received 62 submissions in response and these have been [published](#) on the department's website. These submissions came from a range of stakeholders, including higher education institutions, research agencies, peak bodies and individuals. The sector's response to research training is in line with the government's ambitions, with a firm commitment to quality in research training.

Funding has been awarded to a number of sector bodies to undertake consultations as part of the Research Training Scheme (RTS) review, to better inform our understandings of best practice approaches towards research training. Recent outcomes from this process include:

A report by the Council of Australian Postgraduate Associations on *The Research Education Experience*. This report highlights the issues research students encounter and suggests best practice approaches to achieving a successful and meaningful postgraduate research experience.

- A report by the Business/Higher Education Round Table ascertains business views of the research workforce. Based on a number of round-table discussions with business this report provides a detailed insight into business views on the current and future demands for research skills and capabilities in Australia.
- The department recently embarked on the preliminary work for the second phase of estimating the full cost of research training, aimed at providing additional insight into the Australian research training system and related investment. This study will help inform the review of the research training scheme.

The development of research training standards will be informed by the outcomes from these and other recently commissioned reports and further sector consultation. This will form the basis of advice to be provided to the Tertiary Education Quality and Standards Agency standards panel.

For more information, visit our [Research Workforce Strategy](#) website.

## **Collaborative Research Networks Program**

The [Collaborative Research Networks \(CRN\) Program](#) was established as part of a suite of reforms to higher education and research in the 2009-10 Budget.

On 31 May 2011 the Minister announced funding of \$61.5 million for twelve less research intensive, smaller and regional higher education institutions to lead research projects from 2011 to 2014. These twelve universities are now partnering with other institutions to combat pressing issues such as the future

of the Murray Darling Basin, mental health, environmental management and regional development.

Given the positive feedback on the CRN program from the university sector, the four eligible universities which did not receive funding through the first stage of the program, have been invited to submit new applications for funding through a competitive facilitated selection process. Applications for a second stage of funding will close on 25 May 2012. Only the projects which meet the same high standards of those successful in the first round will be considered for funding.

## Cooperative Research Centres program

### 15th selection round

Applications for the 15th selection round close on 14 June 2012. The priorities for the 15th [Cooperative Research Centres \(CRC\)](#) selection round are social innovation, sustainable regional communities and clean manufacturing. Outcomes are expected to be announced in December 2012.

The six CRCs successful in the 14th CRC selection round are due to commence on 1 July this year. These CRCs are tabulated below.

**Table 1**

<b>CRC</b>	<b>Description</b>	<b>Funding</b>
Automotive Australia 2020 CRC	Guided by the outcomes of the Automotive Australia Technology 2020 Roadmap, the new CRC will research low-carbon vehicles; with innovation specifically in the areas of vehicle electrification, gaseous fuels and clean manufacturing.	\$26 million
CRC for Low Carbon Living	The CRC will research barriers to cost-effective carbon saving opportunities, empower communities and facilitate the widespread adoption of local renewable energy.	\$28 million
CRC for Polymers	The CRC will position Australian manufacturing as a leading provider and exporter of products that meet emerging global needs in three areas—health therapies, water & food security, and low-cost solar energy—by developing enabling and sustainable advanced polymer technology.	\$14.5 million
CRC for Water Sensitive Cities	The CRC will deliver the socio-technical urban water management solutions, education and training programs, and industry engagement required to make Australian towns and cities water sensitive.	\$30 million
Invasive	The CRC will develop new detection and	\$19.7

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Animals CRC	forecasting knowledge and technologies to underpin national and regional incursion response systems and strategies that aim to minimise invasion by new and existing pest animals.	million
Plant Biosecurity CRC	The CRC will develop tools to provide the scientific support essential for safeguarding Australia from the economic, environmental and social consequences of damaging plant pest incursions.	\$29.7 million

### Impact Study of the CRC program

Since it commenced in 1991, the CRC program has funded 190 centres and has contracted up to \$3.4 billion dollars in funding to these centres. This has leveraged a further \$10.9 billion in additional contracted resources from participants in CRCs.

The department is undertaking an economic impact study of the CRC program to determine the social, environmental and economic benefits to Australia as a result of the government's investment.

The previous economic impact study of the CRC program was undertaken by Insight Economics in 2006 and found the program delivered a \$1.16 increase in GDP for every dollar invested by the government. The previous study only looked at the economic benefits, whereas the current study will also look at the social and environmental impacts.

The impact study is being guided by an advisory panel which includes representatives from the Department of Finance and Deregulation and the Treasury.

The final report is expected to be released around the middle of the year.

## Excellence in Research for Australia (ERA) – an update

### ERA 2012 submission phase complete

[Excellence in Research for Australia](#) (ERA) evaluates the quality of the research conducted at Australian universities by discipline. The first round of ERA evaluations took place in 2010 and a second round is taking place this year. All 41 Australian universities submitted comprehensive data for ERA in April 2012. The data will be used to derive performance indicators for the second round of ERA evaluations, which will take place later this year.

### ERA 2012 Research Evaluation Committees appointed

ERA ratings are determined and moderated by committees of distinguished researchers from Australia and overseas, known as Research Evaluation Committees (or RECs). The ARC has now appointed [147 REC members](#) for ERA 2012. ERA 2012 outcomes will enable Australia to track its research

performance over time and will inform future public investment in the research capacities of universities.

# NATIONAL DEVELOPMENTS

## Business Development Strategy for the ACT

On 30 April 2012, the ACT Government released its Business Development Strategy. The Strategy outlines measures to ensure Canberra's sustainability approaching its centenary in 2013. The proposed initiatives aim at creating an environment promoting business enterprise, supporting business investment, as well as accelerating business innovation initiatives.

### The right business environment

The suite of 'the right business environment' initiatives includes payroll tax reform, local SME procurement, and setting up a red tape reduction panel. In addition, a Government Navigation Program is planned which will deliver targeted information on current compliance issues from the ACT Government to SMEs. A media campaign promoting the advantages of buying from local businesses will be implemented.

### Supporting business investment

Inside the Economic Development Directorate (EDD), a dedicated investment facilitation function will be established.

### Accelerating business innovation initiatives

The Innovation Connect program which provides funding for small technology focused companies will now have a new funding stream for clean tech and sustainability oriented companies. In addition, new funding will be committed to the Entrepreneur Development Fund (EDF) to support high level skills transfer in innovation-focused Canberra businesses. To stimulate innovation in electronic and mobile technologies, a prize-based competition will be introduced, targeting specifically tertiary students and ACT citizens. Additionally, a feasibility study will look at best practice models for an ACT technology business incubator.

## \$10 Million Social Enterprise Fund Launched in WA

The [Social Enterprise Fund – Grants Program](#) aims to increase the number, effectiveness and efficiency of social enterprises in Western Australia by supporting not-for-profit community sector organisations to establish new or strengthen existing social enterprises.

Social enterprises are organisations that:

- are led by an economic, social, cultural or environmental mission consistent with a public or community benefit;
- trade to fulfil their mission;
- derive a substantial portion of their income from trade; and
- reinvest the majority of their profit/surplus into the fulfilment of their mission.

## **New Queensland Microsoft Innovation Centre to Support Start-Ups**

The new [Queensland Microsoft Innovation Centre](#) was launched on 22 May 2012 in Brisbane. The Centre will support start-ups, SMEs and entrepreneurial students, to use Queensland-based software systems, focusing on skills, business development and industry relationships. The Centre will facilitate the transfer of ideas amongst its users to help grow the start-up sector, independent software vendors and entrepreneurs.

The idea was initially floated in May last year when Microsoft began to work with the Queensland government to create IT employment opportunities. Microsoft plans to help with up to 100 start-up companies by 2015. Microsoft will invest \$3 million over the next three years in the Centre, and team up with local incubators and universities to accelerate the growth of software start-ups and small businesses in the state. The Centre will also leverage the National Broadband Network (NBN) in regional areas of Queensland.

As part of Microsoft's ecosystem, Microsoft will be partnering with the University of Queensland's Idea Network and Queensland University of Technology's Innovation Space and Innovation Bay and the Silicon Beach and Lean Start-Up groups in Brisbane.

## **The NSW Government Opens a Business Office in Silicon Valley**

On 22 May 2012, NSW Trade and Investment Minister Andrew Stoner [appointed Jason Seed to direct the US office](#), set to open in Redwood City in June, as part of the government strategy to forge closer ties with the US high-tech hub of Silicon Valley. Mr Seed is interim chief executive officer of technology firm Action HRM and a director of the Australian American Chamber of Commerce in San Francisco, in particular specialising in start-ups.

The new office will drive investment and promote exports and the research and development capabilities of our key sectors, including digital services, ICT and clean technology. It will focus on bringing some of the world's leading innovators to NSW and helping NSW entrepreneurs connect with the US market. The office will be located in the Stanford University Mid-Point Technology Park, close to research institutions and technology giants like Google and LinkedIn. The NSW Government currently has four international business offices - in China, India and the United Arab Emirates.

Recent [news reports](#) have stated that entrepreneurs and technology start ups are leaving Australia for the Silicon Valley due to more opportunities and venture capital availability.

## INTERNATIONAL DEVELOPMENTS

### **Smart Specialisation in Global Value Chains: designing and Assessing Smart Specialisation Strategies**

A second workshop meeting of the OECD Working Party on Innovation and Technology Policy (TIP) on Smart Specialisation: Strategies for Innovation-driven Growth was held in Paris 10-11 May 2012.

Specialisation is a driving force that enables areas to exploit economies of scale and regional differentiation to create economic value. Innovation strategies for smart specialisation can be defined as integrated geographically-focussed strategies that:

- concentrate public resources on innovation and knowledge-based development priorities, challenges and needs;
- build on capabilities, competences, competitive advantages and potential for excellence within global value chains;
- foster comprehensive stakeholder involvement and encourage governance innovation and experimentation; and
- are evidence based and include sound monitoring and evaluation systems.

The OECD project will present a final report in early 2013. The report will further develop the conceptual and analytical framework for smart specialisation that combines industrial innovation as well as education policies in order to promote new growth opportunities based on innovation and knowledge. A second aim of the project is to develop a toolkit to help countries and regions develop their own smart specialisation strategies based on a careful assessment of the opportunities, needs and available knowledge resources at local, regional and national levels.

The workshop brought together participating countries and regions as well as representatives from the European Commission, scientific and academic institutions to discuss the first results of the project. Australia is providing two case studies for the project focused on the Grains Rural Research and Development Corporation and the Melbourne South East Innovation Precinct. The case studies will be completed by October 2012.

### **The Global Information Technology Report 2012**

The World Economic Forum has released the 2012 edition of the [Global Information Technology Report](#). The Report explores the impact of information and communication technologies (ICT) on productivity and development. The Report features the Networked Readiness Index (NRI) and case studies to measure the degree to which economies across the world leverage ICT for enhanced competitiveness. The report includes detailed profiles for each economy covered and data tables with global rankings for the NRI's 53 indicators. The NRI indicators include the regulator environment;

business and innovation environment; infrastructure and digital content; affordability; usage; economic and social impacts. Australia is ranked 17th out of 142 in the NRI.

The Australian National Broadband Network project is described as the most prominent government-driven program for broadband Internet access. However, many countries have opportunity to use affordable broadband strategies as part for growth of their economy, and many telecommunications companies have yet to offer programs which extend their customer bases and thereby their businesses.

## **SBA launches new Early Stage initiative within its Small Business Investment Company Program**

As part of the USA Small Business Administration's Small Business Investment Company (SBIC) program, a new initiative specific to early stage businesses has been launched. The [Early Stage \(SBIC\) initiative](#) aims to promote US innovation and job creation by encouraging private sector investment in early stage small businesses.

Early stage small businesses face difficult challenges accessing capital, and this is exacerbated by the current financial climate. High-growth potential, early stage companies often experience a gap in availability of funding between \$1-million and \$4-million levels. Since January 2006, less than 10% of all US VC monies went to seed funds investing at funding between \$1-million and \$4-million levels, and 69% of those monies went to just three states: California, Massachusetts, and New York. ESIFs will target this gap by licensing and guaranteeing leverage to funds focused on early/seed stage investments.

The Start-Up America Initiative intends to commit up to \$1-billion in Small Business Administration guaranteed leverage over a five-year period to selected Early Stage Investment Funds (ESIF). Licensed ESIF can get SBA-guaranteed funding to match their privately-raised capital up to a maximum of \$50-million. The ESIF must invest at least 50% of their investment funds in early stage small businesses.

## **Jumpstart Our Business Startups Act (Washington, DC)**

The [Jumpstart Our Business Startups \(JOBS\) Act](#), a bipartisan bill which aims to encourage startups and support U.S small businesses, was signed on 5 April 2012 in Washington.

Small businesses and startups are considered to be driving the recovery and job creation in the U.S. The JOBS Act will allow small businesses and high-growth enterprises to raise capital from investors more efficiently, allowing small and young firms across the country to grow and hire faster. It will be ensured that access to capital for young firms is expanded in a way that is consistent with sound investor protections.

Key elements of the JOBS Act include three capital formation priorities: allowing “crowdfunding,” expanding “mini-public offerings,” and creating an “IPO on-ramp” consistent with investor protections:

- Allowing Small Businesses to Harness Crowdfunding: Startups and small businesses will be allowed to raise up to \$1 million annually from many small-dollar investors through web-based platforms, democratizing access to capital.
- Expanding Mini Public Offerings: The threshold for exemption from certain SEC requirements for small businesses will be raised from the existing \$5 million to \$50 million, streamlining the process for smaller innovative companies to raise capital consistent with investor protections.
- Creating an IPO On-Ramp: The JOBS Act makes it easier for young, high-growth firms to go public by providing an incubator period for a new class of “Emerging Growth Companies.”

The period of organising the compliance with certain public company disclosure and auditing requirements has been increased from two to can solicit private investments from “accredited investors,” tasks the SEC with ensuring that companies take reasonable steps to verify that such investors are accredited, and gives companies more flexibility to plan their access to public markets and incentivize employees.

## **Launch of the Accelerating Market-Driven Partnerships Initiative**

Secretary of State Hillary R. Clinton [launched the Accelerating Market-Driven Partnerships \(AMP\)](#) to promote investment in innovation.

The Partnership initiative was launched at the inaugural Global Impact Economy Forum on 26 April 2012 in Washington DC. The AMP is a public-private initiative, aims to mobilize innovation and investment around critical global challenges such as poverty, climate change, sustainable cities and waste, and address agricultural value chain waste in key growth markets. AMP will provide a platform for businesses, private investors, social entrepreneurs, government, multilateral institutions and philanthropic organizations to identify and tackle key environmental, social and economic challenges in countries that are transitioning from development assistance. The partnership supports the U.S. Department of State’s efforts to promote sustainable, inclusive economic growth and development that strengthens diplomatic efforts and bolsters U.S. business opportunities and investments abroad.

The pilot initiative will initially focus on promoting sustainable cities and related issues in Brazil; and will initially focus on building sustainable cities including through providing low-cost housing, offering skills training that builds capacity of local workers, and improving urban waste management systems. AMP will draw on the resources of the private sector, civil society, and multilateral partners in both Brazil and the United States.

In collaboration with the U.S. Department of State, AMP will also develop an “Innovation Toolkit” that identifies critical elements necessary to strengthen science and technology, and to foster the development of entrepreneurship and innovation ecosystems. AMP will partner with the World Bank Group’s EVOKE online educational gaming platform.

## **Fund to boost university and private collaboration**

UK Universities and Science Minister David Willetts announced the [Research Partnership Investment Fund](#) on 12 May 2012.

The Research Partnership Investment Fund will support research partnerships between universities, businesses, charities and philanthropic donors. Objectives of the fund are to:

- Enhance the research facilities of universities undertaking world-leading research;
- Encourage strategic partnerships between universities and other organisations active in research;
- Stimulate additional investment in higher education research; and
- Strengthen the contribution of the research base to economic growth.

The fund will support large-scale projects that can leverage substantial co-investment from private sources building on the research excellence in the higher education sector. UK Universities will be able to bid for between £10 million and £35 million per project and must be able to demonstrate that they can attract at least double the amount in private investment. Applications will be judged on value for money and how much they build on existing strong research capability.

## **Public access to publicly-funded research**

At the UK Publishers Association meeting on 2 May 2012, Minister of State for Universities and Science David Willetts [set out the Government’s approach to accessing and publishing research findings](#).

The UK government intends to ensure that there is far more research material freely available on-line; it also has to be better edited and sorted. This is the challenge facing both the publishing industry and Government who has responsibilities for intellectual property, copyright and funding much research. The Minister has indicated that Government would be prepared to work in partnership with the publishers to address this challenge.

The Minister highlighted the UK Government’s commitment to the principle of public access to publicly-funded research results. The UK Government rationale is that published research material which has been publicly financed should be publicly accessible; and it will maximise the value and impact generated by research. The Minister referred to cases where publicly funded and freely available information has led to greater take up of knowledge and commercialisation than from earlier protected data.

## **Entrepreneurship education on the increase**

The European Commission has reports that [entrepreneurship education is being increasingly promoted](#) in most European countries. Eight countries (Denmark, Estonia, Lithuania, the Netherlands, Sweden, Norway, Wales and the Flemish part of Belgium) have launched specific strategies to promote entrepreneurship education, while 13 others (Austria, Bulgaria, the Czech Republic, Finland, Greece, Hungary, Iceland, Liechtenstein, Poland, Slovakia, Slovenia, Spain and Turkey) include it as part of their national lifelong learning, youth or growth strategies.

Half of European countries are engaged in a process of educational reforms which include the strengthening of entrepreneurship education. A total of 31 European countries and 5 regions were surveyed for the report, entitled "Entrepreneurship Education at School in Europe".

The report shows that entrepreneurship education is explicitly recognised in the primary education curricula of two-thirds of the countries surveyed. While entrepreneurship is not taught as a separate subject in primary schools, half of the countries have defined learning outcomes which relate to entrepreneurial attitudes and skills such as sense of initiative, risk-taking and creativity.

## **New initiatives to assist small enterprises to go international**

The EU has announced a series of [new and updated initiatives](#) to assist SMEs to compete internationally. These initiatives include:

- New projects to support clusters of SMEs in the sectors of clean technologies, renewable energy, bio-technology, and sports goods, so SMEs can take full advantage of the strong growth in these sectors in Asia, Latin America, North America and Russia. There are over 1, 000 clusters in Europe, and 495 cluster organisations have signed up to the European Cluster Collaboration Platform, in which cluster managers tend to be organised to help SMEs to improve their performance. To further this, a new Commission pilot action aims to upgrade the profile of 25 experts working in clusters, so that they can act as 'multipliers' and train many other cluster managers to enable them to better support SMEs who want to trade globally.
- The EU's China Intellectual Property Rights SME Helpdesk has broadened its range of interactive services and each year enables thousands of EU SMEs to secure and defend their intellectual property in this key market.
- The new public procurement initiative (IP/12/268) will increase the incentives for the EU's trading partners to open up their public procurement markets to EU bidders, including SMEs. Proposed by the Commission on 21 March 2012, it will ensure that EU companies of all sizes can compete with third country companies on a more equal footing.

## **First EU-China High Level Meeting on Energy**

On 3 May 2012, the [2012 EU-China High Level Meeting on Energy](#) took place in Brussels, Belgium. The meeting, co-chaired by Mr. G. H. Oettinger, EU Energy Commissioner, and Mr. Liu Tienan, Vice Chair of China's National Development and Reform Commission and Administrator of the National Energy Administration, gathered representatives of the China National Energy Commission as well as energy ministers or representatives of EU 27 Member States. As part of the 2012 EU-China High Level Meeting, the following joint declarations and joint statements were signed:

- EU-China Joint Declaration on Energy Security;
- Joint Declaration on EU-China Partnership on Urbanisation; and
- Joint Statement for Enhanced Cooperation on Electricity Markets.

# AN UPDATE ON EDUCATION AND SKILLS<sup>1</sup>

## **NEW: Redesign of VET FEE-HELP Assistance Scheme**

The [VET FEE-HELP Assistance Scheme](#) is an income contingent loan program for vocational education and training (VET) and is part of the Government's Higher Education Loan Program (HELP).

The Redesign of the Scheme will be progressed with the aim of improving its design to increase effectiveness and to inform ongoing Skills reform discussions with the states and territories. Funding has been provided for:

- enhancing the Scheme's IT system to better support the Scheme and improve application processing, information exchange and compliance monitoring; and
- increased funding to the National Centre for Vocational Education and Research (NCVER) to expand and improve collection of VET FEE HELP information from providers and students.

The redesign of the Scheme will require legislative change to the Higher Education Support Act 2003 and through changes to legislative guidelines, systems and information products, and through targeted communication strategies.

A discussion paper is currently being developed which will inform consultations with key stakeholders to ensure proposed changes are operationally appropriate and inform the Regulation Impact Statement.

The redesign of the Scheme will be progressed in conjunction with the National Partnership Agreement on Skills Reform which was agreed at the COAG meeting of 13 April 2012.

## **NEW: Renegotiation of the National Agreement for Skills and Workforce Development (NASWD) and the National Partnership for Skills Reform (NP).**

In the 2011-2012 Commonwealth Budget, \$1.75 billion was committed, over five years, for a new National Partnership (NP) Agreement to drive reform of the training system.

This is in addition to the \$1.4 billion per annum allocated to states each year for the vocational education and training (VET) system.

The revised NASWD and the new NP were agreed by all Ministers at the Council of Australian Government (COAG) meeting of 13 April 2012.

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<sup>1</sup> Tertiary Education is now part of the Department of Industry, Innovation, Science and Research Portfolio and an update specific to Education and Skills will be included as appropriate

Implementation Plans associated with the Skills Reform NP are currently being developed by the states, for agreement by the Commonwealth.

The reforms will create a more accessible and equitable training system; a more transparent VET sector; a higher quality training sector; and a more efficient sector that responds to the needs of students, employers and industry.

In making the sector more accessible and equitable, jurisdictions will introduce a national entitlement to training, so that any working age Australian without a qualification is able to access government-subsidised training up to at least a Certificate III.

To support access to higher level training, such as Diplomas and Advanced Diplomas, the states and territories have agreed to support the expansion of the Commonwealth's Income Contingent Loan scheme in the VET sector – greatly reducing the costs that may otherwise prevent people from undertaking this study.

These reforms will deliver the improvements necessary to ensure the VET system can respond effectively and efficiently to industry needs at a time when the economy is undergoing significant and rapid change.

## **NEW: Training Support Post Apprenticeships**

The [Training Support Post Apprenticeship](#) initiative provides \$19.5 million, over four years, to support people who have recently completed their trade training and are seeking to establish a new business or operate as sub-contractors. Funding support up to \$5000 each will be available for training and mentoring, to help them establish their business on a sound footing.

The funding will cover the cost, for 12 months, of business training in nationally recognised qualifications delivered by a Registered Training Organisation, and also provide support for financial advice, business planning and mentoring services. The training will develop business management competencies, to ensure they meet business regulations and employment requirements, help prepare business and financial plans, and establish marketing and work flow arrangements. This business training will build on the technical trade skills that were developed during their trade training.

Up to 500 people will be supported in 2012-13, and then 1000 people each year for three years.

This new measure complements the range of advisory services that are already available for small businesses through the Small Business Advisory Services and Business Enterprise Centres. It also applies lessons learnt from the very successful New Enterprise Incentive Scheme, which provides business training and mentoring support for eligible job seekers wishing to establish a new business.

Training Support Post-Apprenticeship providers will be identified through an open tender arrangement. The detailed selection process will be identified by the department, with a view to commencing delivery from January 2013.

## **NEW: Skills Connect**

Australian Government [Skills Connect](#) is a new integrated approach designed to help link eligible Australian enterprises with a range of skills and workforce development programs and funding. It is employers' gateway to information and support that will connect them with Australian Government funding that meets their unique business or industry training and workforce development needs—helping them to build productivity and improve the future of their business.

Australian Government Skills Connect makes it possible for eligible businesses to apply for funding from the following programs: National Workforce Development Fund; Workplace English Language and Literacy Program; Accelerated Australian Apprenticeships initiative; Australian Apprenticeships Mentoring Program; and Investing in Experience – Skills Recognition and Training (consolidating Experience+ Training and More Help for Mature Age Workers).

Through Australian Government Skills Connect, industry will have access to a broad range of assistance no matter whether they are in metropolitan, regional, rural or remote areas. The network will help Australian enterprises and industry to make the right connections and get the right advice. The network of people with expertise specific to your industry or region includes, eleven Industry Skills Councils and Auto Skills Australia, Enterprise Connect Business Advisers, Education and Training Advisors, Local Employment Coordinators, Regional Educations Skills and Jobs Coordinators.

## **International Scholarships and Mobility Update**

### **NEW: Prime Minister's Queen Elizabeth II Diamond Jubilee Award**

The Endeavour Awards have a new category this year - the [Prime Minister's Queen Elizabeth II Diamond Jubilee Award](#), announced by the Prime Minister in February. The Award will go to a female who demonstrates in their application that their research will lead to the advancement of women's leadership in Australia.

### **Endeavour Awards open 2013 round**

The 2013 round for the [Endeavour Awards](#) opened on 1 April 2012. The round will close on 30 June 2012.

In the 2012 round, a total of 809 Endeavour Awards were offered. Of these 678 Awards were offered to international students, researchers and professionals and 131 Awards were offered to Australians for study, research or professional development abroad.

### **Australia Awards Board**

The [Australia Awards Board](#) held its third Board meeting on 12 April 2012 in Canberra. The agenda for the meeting focussed on the Board's agreed priorities: Partnerships; Alumni Strategy and Branding.

In addition a member of the Australia in the Asian Century White Paper Task Force briefed the Board on key aspects of the White Paper and possible synergies with Australia Awards objectives.

## **ILO Reference Group**

The inaugural International Liaison Officer (ILO) Reference Group was held in Brisbane on 10 May. The recommendation of an ILO Reference Group was a key outcome of the ILO Forum held in 2011, and it will provide an opportunity for ILOs from universities around Australia to provide valuable feedback to the Department about the programs which support international student mobility. This includes the International Student Exchange Program (ISEP) and the Study Overseas Short-term Mobility Program (STMP).

## **Australia-China University Leaders Forum**

To celebrate the 40th anniversary of diplomatic relations between Australia and China, Universities Australia, the Department, and the Chinese Ministry of Education are partnering to host the Australia-China University Leaders Forum on 26-27 November 2012. The forum will be held at Hotel Realm in Barton, Canberra.

Entitled “Celebrating 40 years of engagement – The future of Australia-China education collaboration”, the two-day forum will showcase the history of successful collaboration between Australia and China and explore possibilities for future collaboration.

Australia and China share a strong history of education engagement which is underpinned by agreements and partnerships between government agencies, education institutions and peak bodies in both countries. Australia and China are engaged in a rich breadth of cooperation, such as research and institutional collaboration, business and industry engagement, and student, academic and professional exchange. University leaders and representatives from government, industry and university peak bodies will meet to discuss these areas of mutual interest. The forum will provide the opportunity for university representatives to further develop connections and determine strategies to deepen existing engagement, including considering the role Australian and Chinese institutions, industries and governments can play to best support those strategies.

Academics and researchers interested in contributing to this important forum are being encouraged to contact their university Deputy Vice Chancellor Office (International).

## **International Education Reforms**

The next stage of the Government’s reform program for the international education sector is well underway with further changes arising from the [Baird Review of the Education Services for Overseas Students Act 2000 \(ESOS\)](#) to be implemented from 1 July 2012. The centrepiece of the latest reforms is a new universal [Tuition Protection Service](#) replacing tuition assurance arrangements under ESOS with a single level scheme covering over 1,200 providers of education and training to around 300,000 international students in

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Australia. The scheme will ensure that in the event of the closure of an education provider, international students can be placed with another provider or receive a refund of the unused part of their tuition fees. A series of information sessions for education providers was undertaken in April and May and a new consultative committee with international education peak bodies is meeting monthly in the lead up to implementation to ensure a smooth transition to the new arrangements.

## **International Education Advisory Council**

### **Discussion Paper and Consultations**

On 14 October 2011, the Minister for Tertiary Education, Senator the Hon Chris Evans, [announced](#) the formation of the International Education Advisory Council. The Council will provide advice to the Australian Government to help inform the development of a five year national strategy to support the sustainability and quality of the international education sector. The Council is chaired by Mr Michael Chaney AO. [Membership](#) of the Council comprises eminent people from Australia's education and business sectors. [Australia Education International \(AEI\)](#) provides secretariat support to the Council.

On Tuesday 24 April 2012 the Council released a [discussion paper](#) and is now accepting submissions. The discussion paper outlines key factors that have influenced international education in Australia and around the world, proposes some broad directions that could form the basis of a national strategy, and poses some discussion points under each direction to tease out debate. Consultations with key stakeholders are taking place during May 2012. Submissions close on Friday 8 June 2012.

## **STEM Skills Strategy for South Australia**

The South Australia Government has mapped all STEM activity in SA across schooling, higher education and workforce development, and developed a [Strategy](#) for increasing numbers of skilled workers in the science, technology, engineers and mathematics (STEM) fields. The Strategy outlines that the SA Government will work with industry to ensure a coordinated approach to improving skills across schooling, training, higher education and workforce development.

The Strategy identifies the following main areas for changing the proportion of South Australians with STEM skills: policy and standards, partnerships and pathways, workforce development, teaching workforce, learning resources, education infrastructure, and scientific awareness. The Strategy places particular emphasis on further developing the 'teaching workforce' through a suite of initiatives, supported by targeted investment.

A Cabinet Taskforce will be established to connect STEM activity across all phases of education and ensure that the government supported programs are well coordinated, and that the policy and priorities are consistently implemented. A STEM skills decision making framework will bring together leaders from government and industry to make decision about the most efficient and effective programs.