

## Industry policy that fosters innovation and entrepreneurship – the Industry Growth Centres initiative

*The Government is refocusing industry policy to drive entrepreneurship and innovation. Industry policies will be re-targeted to capitalise on Australia's strengths and accelerate the growth prospects of our high-potential small and medium sized enterprises and most promising sectors. The Government will facilitate winning strategies by businesses that spend their own money and take their own risks.*

### Industry Growth Centres

Australian businesses have demonstrated that they can succeed on the world stage and, with the right enabling environment, can be world leaders. Backing our competitive strengths and building on the Entrepreneurs Infrastructure Programme, the Government intends to establish Industry Growth Centres in five competitive industries at a cost of \$188.5 million over four years.

The Centres will enable businesses with winning strategies to self-select and grow, by removing impediments and unlocking potential at the industry level. The Centres will encourage organisations to work closely together to unlock commercial opportunities and reduce risk. Among other things, the Centres will encourage businesses in these industries to form commercial research and development partnerships with each other, and with the research sector.

The Minister for Industry will seek expressions of interest from business-led consortia to establish five non-profit Industry Growth Centres in sectors where Australia has recognised competitive strengths. Subject to the expressions of interest process, the five initial Centres will be in:

- ▶ food and agribusiness;
- ▶ mining equipment, technology and services;
- ▶ oil, gas and energy resources;
- ▶ medical technologies and pharmaceuticals; and
- ▶ advanced manufacturing.

The Centres will have the flexibility to provide services tailored to the needs of their industry. Broadly, the Centres will address sector-wide impediments to productivity and competitiveness by:

- ▶ developing and implementing a roadmap of priority actions to lift the competitiveness of the sector and inform Centre activities;
- ▶ taking practical steps with governments to improve the regulatory environment;
- ▶ facilitating new commercial partnerships through supporting industry-led projects between SMEs and large businesses, and with the research sector, to develop innovative products and services;
- ▶ enhancing businesses' ability to enter global value chains and improving workforce skills, building on the services available through the Entrepreneurs Infrastructure Programme; and

### How an Industry Growth Centre will assist advanced manufacturing

The Advanced Manufacturing Growth Centre will support collaboration between Australian manufacturers and research organisations, and help Australian SMEs to diversify into new high value products and services.

For example, Australia has competitive advantage in advanced and composite materials research to improve product design and fabrication. New advanced materials can improve the lightness, strength and fire resistance of traditional products. The Advanced Manufacturing Growth Centre could bring together industry and research institutions to develop, test and bring these new products to market. The Centre could focus on accelerating the adoption of carbon fibre composite technology for a range of products, including aircraft and automotive parts, sporting goods and medical devices.

The Centre could also work with other countries to agree international standards for new technologies. This will improve regulatory certainty and facilitate industry innovation.

- ▶ developing annual industry knowledge priorities to inform the research sector of industry needs and commercialisation opportunities.

Each of the five Centres will receive funding of up to \$3.5 million per year. The Centres will be required to establish a plan to become self-sustaining after four years and the Government will look to establish further Centres if the programme is successful.

Each Centre will be able to apply for competitive grants from a \$63 million Growth Centre Project Fund. Projects will require a minimum matched contribution from industry participants, and be required to have significant sector-wide impact. The Growth Centre Project Fund will support large-scale projects by groups of businesses, such as conducting research into Asian consumer preferences or improving supply chain integration between a major company and its suppliers.

In addition, businesses will be eligible to seek support for high potential projects to prove market viability, attract private sector investment and bring new ideas to market. This will address the lack of early stage finance for commercialisation.

The Government will provide \$60 million through the Entrepreneurs Infrastructure Programme to co-fund commercialisation opportunities on a competitive basis. The Government's investment will be no more than 50 per cent and up to \$1 million in project funding.

Success of the Centres will be measured by increased investment, employment, productivity and sales, reductions in red tape, improved industry-research links and more businesses integrated into international value chains.

The Minister for Industry will consult industry on the implementation of the Centres. The Centres will be rolled out from early 2015.

Further information is available at [www.industry.gov.au/growthcentres](http://www.industry.gov.au/growthcentres)