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Business R&D must be supported

The **Australian Technology Network of Universities (ATN)** has urged the Senate to support legislation to implement the Government's proposed R&D tax credit. From the perspective of an industry-engaged university network, the ATN believes this legislation is critical to ensure the continued strong trend by Australian firms to increase their investment in research and development.

With the legislation listed for debate in the Senate on Wednesday, ATN Chair, Professor Jeanette Hackett, said any further delays in the passage of this Bill could cause industry to put off their R&D, which is not in the interests of boosting Australian business innovation.

"Universities are an important sector which supports business R&D activity in Australia," Professor Hackett said.

"A large proportion of expenditure on R&D by industry is commissioned research which takes place within universities. The ATN has a strong focus on building partnerships with business and industry and supporting business investment in R&D is crucial for our future."

Business expenditure on research and experimental development (BERD) has continued to rise, up 12% from 2007-08 to 2008-09, indicating an encouraging commitment to innovation by Australian business.

Given the largest increase in recent years has been in smaller businesses, with a 27% increase in investment for businesses with 5-19 employees over that period, the ATN believes that the stronger incentives provided by the legislation for small and medium enterprises (SMEs) to conduct R&D activity are important.

"Any incentive which encourages and incentivises greater expenditure in R&D activity should be encouraged. Innovation is a key driver of the Australian economy and greater engagement between universities and industry, and knowledge transfer between the two, will be a key factor in ensuring that Australia continues to grow its competitiveness on an international scale.

"With the recent Excellence in Research for Australia exercise demonstrating the growing breadth and depth of world-class research taking place in Australian universities, it is crucial that we make every effort to encourage business to take advantage of that expertise, driving innovation and growing our economy.

"Measures such as the proposed R&D tax credit will support and encourage such research collaboration and industry-sponsored university research," Professor Hackett said.