

**Strategic R&D Priorities and Trends in Australia for 2016 and beyond**  
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Australia has continued to experience economic growth however there have been shifts in some sectors like Mining, Food and Automotive sectors which will impact the Manufacturing sector, SME's and R&D moving forward.

The Federal Government has implemented a new policy direction for Australia through the creation of "Industry Growth Centers". It will lift innovation, competitiveness and productivity by focusing on areas of competitive strength. This will help Australia transition into smart, high value and export focused industries. The Initiative will enable national action on key issues such as deregulation, skills, collaboration and commercialisation.

The Initiative is ongoing with \$225 million in Australian Government funding over the four years from 2015/16 to 2018/19. Growth Centers are being established to deliver the Initiative in five growth sectors:

- Advanced Manufacturing
- Food and Agribusiness
- Medical Technologies and Pharmaceuticals
- Mining Equipment, Technology and Services and
- Oil, Gas and Energy Resources.

The Growth Centers will also facilitate engagements between enabling services and technologies, such as Information and Communications Technology, where they provide essential and direct support to the growth sectors.

Growth Centers are not-for-profit organisations, led by a strategic Board of industry experts who will oversee the operation of the Growth Centre.

We will continue to see SME's R&D evolving as they tackle the shifting Manufacturing environment. Advanced manufacturing will be a key component of this shift, as will the need to operate in a global market place.

The R&D Tax credit scheme is being reviewed and specific focus on the needs of SME's, start-ups and seed funding may impact the structure of the scheme in the future.

Government, Industry and Academia are engaging on STEM (Science, Technology, Engineering and Mathematics). This is a developing effort, critical to the future of many sectors. It is designed to bolster STEM education across the economy and ensure global competitiveness.

International collaboration will continue to develop between Researchers and Industry. We have seen Government, Industry, SME's, Associations, Researchers and Universities connecting across the globe and providing processes, funding and data critical to creating these connections. The development of R&D sector clusters will help build critical mass, align with the support from the 5 Growth Centers, and build synergy across R&D technologies on a global platform.

Similar to other geographic regions, the trends in R&D and Manufacturing will continue to change and evolve. The recognition of local strengths and that we operate in a global environment will dominate how R&D Priorities and Trends develop into the future in Australia.