

28 July 2023

Committee Secretary
Standing Committee on Economics
PO Box 6021
Parliament House
Canberra ACT 2600
Via email submission: economics.reps@aph.gov.au

Dear Standing Committee on Economics,

Subsequent The Victorian Chamber of Commerce and Industry's appearance before the Committee we felt it would be useful to provide some further information regarding our suggested 'Conduit Model for Innovation and Commercialisation', which was also referred to as 'tinder for business and research institutions'. We also wanted to provide some further clarity around our comments relating to airports.

If you would like to discuss this in more detail, please contact Nicole McLean, Senior Advisor, Policy and Advocacy

Conduit Model

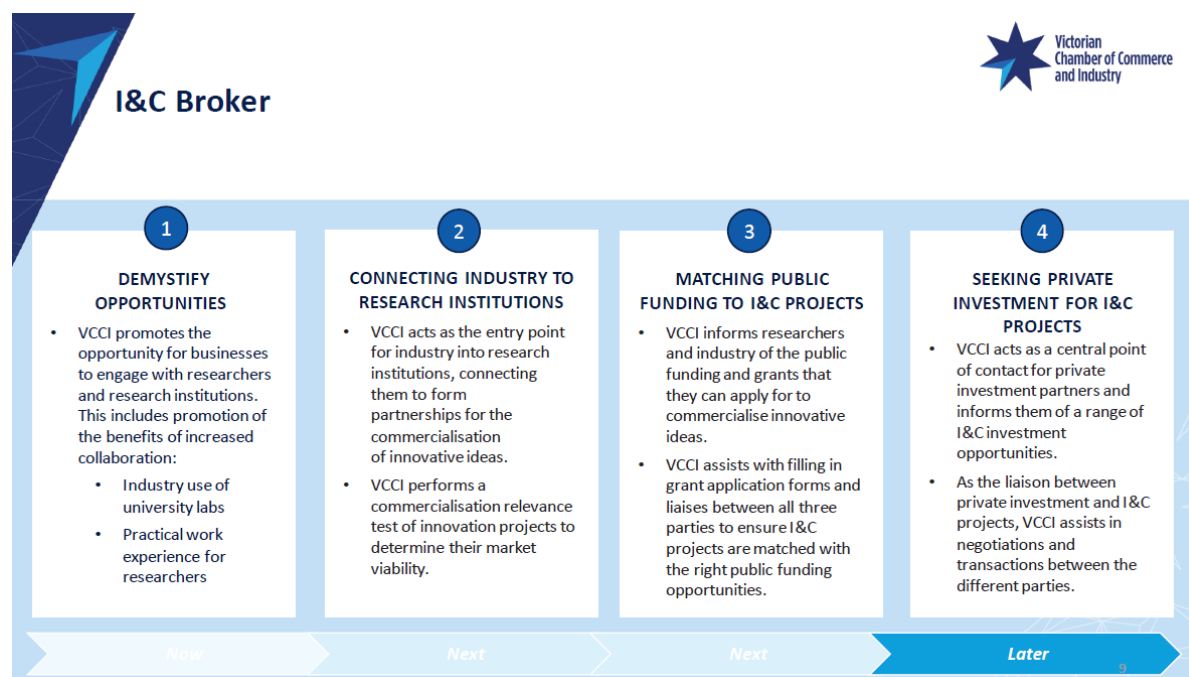
As we mentioned during our appearance one of the areas that we think there would be significant utility in assisting to create a greater level of competition would be through facilitating innovation and commercialization through a conduit model. Such a model would provide a third party that would operate between businesses and research institutions in order to make sure that where innovation and commercialization wants to be pursued that the business is adequately matched with the right research institution. In our model outline below, you will see that the Victorian chamber would play a key role as the broker between research institutions industry government. It is in this role that they chamber would also be able to play matchmaker with private investment to help further facilitate commercialization or inability ideas.

Innovation & Commercialisation (I&C) Broker

Problem: SMFEs do not know how to navigate the complex university system to engage researchers to solve industry problems and commercialise ideas.

Solution: VCCI acts as the I&C broker between research institutions, industry, government, and private investment to facilitate the commercialisation of innovative ideas.

Benefit: Increased commercialisation of new ideas, translating to more industries and jobs, which leads to improved economic growth.



Airports

To better qualify our comments around airports it would be useful to provide the committee with the following information as it relates to improving competition for both passengers and exporters and importers.

Planning: As we briefly touched upon with regards to planning the current monetary threshold that triggers a major development plan currently determines investment. As a consequence, airports are quite constrained and challenged in the way in which they can deploy capital at an appropriate pace in order to help facilitate competition by allowing greater utilisation of the airport. This stifles the ability for airports to quickly modernise and respond when they need to make capital improvements, which leads to negative outcomes for all users of the airport. Consideration needs to be given to modernising the relevant legislation so that it is more contemporary and at the same time able to be evolved should the threshold need to be raised again.

Capacity: Lack of capacity or constrained capacity impacts consumers as well as exporters and importers quite dramatically. Improving the efficiency and the efficacy of bilateral service agreements so that they are future focused would help improve capacity and reduce barriers to competition. This would encourage stakeholders to be more coordinated and proactive in attracting International Airlines. By having a proactive approach airlines will have greater certainty with which to plan for procurement and also to deploy aircraft. Importantly airports would also be able to better plan infrastructure and terminal capacity to meet increased demand. In turn this will ultimately create greater competition in the airline industry which in turn will give better value for customers, businesses and exporters and importers, while also helping improve greater service levels reliability and connections.

Scrutiny: Australia is a unique market in terms of airline scrutiny. Until recently the ACCC airline monitoring report provided some overview of the industry, which kept airlines more accountable and also allowed customers greater choice premised on performance. Consideration should also be given to compensation for delays and cancellations as seen in other countries but not in Australia. This would ensure that airlines have an incentive to improve services both in terms of quality and in terms of timeliness.