

Senate Economics References Committee
ANSWERS TO QUESTIONS ON NOTICE
Department of Industry, Science, Energy and Resources
Inquiry into The Australian Manufacturing Industry
11 November 2021

AGENCY/DEPARTMENT: DEPARTMENT OF INDUSTRY, SCIENCE, ENERGY AND RESOURCES

TOPIC: Potential to scale up CRCs in Australia

REFERENCE: Written

QUESTION No.: 2

Submissions to this inquiry have noted that Australia spends substantially less on its Cooperative Research Centres than is seen in countries like Japan, the UK and Germany. One submission quoted a figure of \$150 million in CRC investment over ten years in Australia, versus \$3.9 billion in Germany, \$1.25 billion in Japan and \$4.7 billion in United Kingdom. Given that your submission has acknowledged the successful role that CRC's have played in supporting industry development, do you think there is a need to consider a scaling up our CRCs within Australia, including specifically as part of a broader strategy to enable the growth of the advanced manufacturing sector?

ANSWER

Since its inception, the CRC Program has committed \$5.3 billion in funding to support the establishment of 233 CRC Grants and 176 CRC Project Grants. Partners have committed a further \$16.4 billion in cash and in-kind contributions.

Over the forward estimates (2021-22 to 2024-25), the Government has committed \$733 million to the CRC Program, to support industry-led research collaborations which will deliver practical solutions for Australian industry. The program aims to:

- improve the competitiveness, productivity and sustainability of Australian industries, especially where Australia has a competitive strength, and in line with Government priorities, including National Manufacturing Priorities.
- foster high quality research to solve industry-identified problems through industry-led and outcome-focused collaborative research partnerships between industry entities and research organisations.
- encourage and facilitate small and medium enterprise participation in collaborative research.

The CRC Program is part of the broader Australian Government program suite aiming to foster collaboration, commercialisation and adoption of technology, and drive economic growth and job creation. The Australian Government's *Modern Manufacturing Strategy: Make it Happen* (MMS) also supports these outcomes, through investments across the six National Manufacturing Priorities – focusing government efforts in areas of advantage and strategic importance.

Through the MMS we are leveraging and building on Australia's strengths, supporting businesses to invest, create jobs and drive long-term productivity, growth and sustainability for Australian manufacturing. In particular:

- The \$1.3 billion Modern Manufacturing Initiative (MMI) aims to transform manufacturing businesses and help them to scale-up translation of ideas into commercial successes, and integrate into local and international value chains:
 - The Manufacturing Translation Stream (MTS) is helping manufacturers translate high-quality research and good ideas into commercial outcomes.
 - The Manufacturing Integration Stream (MIS) is helping manufacturers to integrate products into domestic and international value chains and enter new markets.
 - The Manufacturing Collaboration Stream (MCS) is providing funding for large projects that support business-to-business and business-to-research collaboration, to build economies of scale.

In addition, the Commonwealth Science and Industrial Research Organisation (CSIRO) are co-developing and delivering a Missions program that brings together the government, universities, industry and the community, to collectively address important challenges facing the nation – supporting collaboration that helps to create Australia's future industries and jobs for Australian manufacturing to thrive.