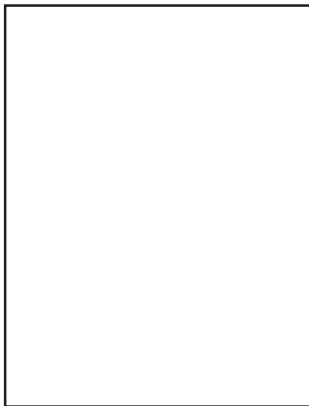


Commercialization of public sector R&D

Results, opportunities and challenges

Russell Higgins

Commercialization of R&D and innovation is viewed as one of the basic prerequisites for long-term economic development of a nation. Countries across the world have invested enormously in developing public R&D infrastructures such as universities and research institutions. Commercialization of R&D results and innovation generated from these institutions have been major areas of concern in recent times. Special efforts are therefore being made worldwide to enhance the potential of R&D commercializations, which in turn would help strengthen public institutions in the long run. This article provides an insight into the status of R&D commercialization in Australia with the help of a few case studies.



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Introduction

Commercialization of scientific research results has become the new catch-cry in most advanced economies as they embrace innovation as a key driver of economic policy. Put simply, these economies are now seeking to obtain an improved rate of return on the investments made in public research and development (R&D), especially that carried out in universities and research institutions.

Catherine Livingstone (former CEO of Cochlear) in her Warren Centre Innovation Lecture, April 2000, noted that “innovation is the process whereby ideas are transformed, through economic activity, into sustainable value-creating outcomes.” This definition captures the essence of commercialization - of converting ideas into economic outcomes.

What is significant is not simply the generation of new ideas but their transformation into value-creating outcomes.

The end of World War II heralded a period of liberal and universal education, the creation of far greater numbers of highly trained scientists and engineers with interests in pursuing research careers and a universal belief that putting more money into science produces longer-term benefits for society. Its inheritance was, however, that researchers became more important for their generation of ideas rather than for producing economic outcomes, unless they were associated with commercial enterprises.

Pressures on governments to increase the public purse (not merely to provide more funding for a growing scientific population) in support of scientific research increased phenomena