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## Innovation strategy: The plan we had to have

CPA Australia has welcomed the Government's National Innovation and Science Agenda. Chief Executive Alex Malley says, "It represents a critical blueprint for our nation's future."

"In so many ways this is the economic plan we had to have", Mr Malley said.

"It's both an acknowledgment that the mining investment boom is over and recognition that our future prosperity – the high paying jobs for the next generations -- will come from knowledge intensive sectors, underpinned by a spirit of innovation that pervades all that we do.

"Backing an 'ideas boom' to replace the mining boom represents a sea-change in thinking and attitude necessary to propel Australia's future prosperity in the ultra-competitive Asian century.

"The plan is a \$1 billion-plus blueprint - a mix of new and repurposed funding, to realise, support and commercialise the innovative potential of all Australians.

"While there are some transition challenges and legislative changes required, this innovation strategy can't come soon enough.

"At the heart of the plan is a suite of tax changes aimed at incentivising innovative activities. There are concessional tax treatments for investors, a change of rules for Early Stage Venture Capital Limited partnerships and reforms to rules around companies claiming losses when they seek opportunities to innovate and grow. There are also large new research funds targeting our science infrastructure, commercialisation and the development or incubation of new ideas.

"It's particularly pleasing to see reforms around insolvency. The intended relaxation of some of the more restrictive rules are welcome and will go some way to creating a business environment that is more accepting of risk.

"It's also pleasing to see the Government's bid to reverse the brain-drain. I have railed for some time against the practice which sees our best and brightest take their genius offshore, usually to Silicon Valley in the United States.

"For too long 'innovation' has been a convenient add-on to government rhetoric, more about style than substance. Yet the reality is that the days of relying on the blind luck of iron ore and coal exports are long gone.

"Our seeming inability to transition from resources to knowledge has been deeply frustrating. With the ideas boom we now have a successor.

"It's up to all of us to ensure the success of the innovation strategy because all of us, from schoolkids to small business owners and university researchers, have a stake in getting it right. It's what will enable a culture of innovation, and that's at the critical centre of our future prosperity.

"More than anything else, this plan is about Australians rediscovering that fire in the belly that so characterised our nation in its formative years – and the Government is providing a framework to help make that happen."

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