The principal of creating simplified, standardised documentation templates for PFROs is a good one. They should also be made accessible in online form for external companies.

The real crux of the problem is building PFRO engagement with SMEs. Corporates have the resources to hire people full-time, to scan for IP that may be of interest and then focus on acquiring this IP as early as they can see technical risk removed and the potential to gain competitive advantage. Universities are motivated by prestige and hence are attracted to high profile licencing or research collaboration agreements with such corporates.

As a consequence, significant opportunities to build and capture economic value in Australia are missed – some examples include Suntech, the UNSW recent agreement on research collaboration with China and the ANU agreement on solar technology with Origin Energy. This diversion of university IP to corporate targets early in the process is costly – corporates (on a net basis) do not generate new jobs in the economy, while SMEs are responsible for almost 100% of net job growth.

The templates are helpful at the margin, but this issue would be much more significantly impacted by initiatives in the following areas:

- Conditions attached to research grants that the PFRO must promote its IP and potential applications to appropriate Australian SME audiences
- Incentives for universities to collaborate effectively with SMEs. This has to go beyond sale of IP – 90% of effective knowledge transfer is in the joint application of knowhow to pilot customer implementations, testing and resolving high level technical issues (Building IQ is a good example of a company benefitting substantially from the CSIRO adopting this approach, with its energy management technology)
- KPI measures for universities to include the % of IP transferred to local SMEs, support hours provided and the employment and revenue growth of partner SMEs. Performance on these KPIs to be a key determinant of research funding levels
- Incentives to be provided to universities to establish incubator facilities for high potential IP, where there is no obvious domestic SME collaboration target/ recipient

I would be very happy to discuss these points further.

Best regards, Pat M

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