



Australian Government
Department of Industry,
Innovation and Science



Statement of Principles for Australian Innovation Precincts

Place-Based Partnerships Building on
Competitive Strengths

October 2018

The Australian Government wants to foster economic growth, community development and sustainable job creation through higher levels of collaboration, research commercialisation and innovation – including innovative entrepreneurship, and innovation within existing businesses.

Domestic and international evidence on innovation precincts demonstrates that successful precincts encourage **increased collaboration** between researchers and end-users, fostering higher levels of innovation, knowledge transfer, and commercialisation to drive **sustainable economic growth and job creation**. Precincts also deliver business and social benefits.

Australia is well placed to capitalise on these trends, for several reasons:

- Our universities, researchers and science infrastructure are world-class
- We are well recognised for our success in place-making, which has contributed to the high ranking of many Australian cities on measures of liveability
- We have a range of competitive industry sectors which provide a foundation to drive economic growth and create quality jobs.

A Statement of Principles for Australian Innovation Precincts focuses on how innovation precincts can advance national priorities around increasing collaboration and economic growth.

During national consultations over 2017, stakeholders acknowledged the crucial role of governments at the state and territory level and local level in providing local leadership for innovation precinct development. Nevertheless, consultations suggested that the Australian Government could play a greater role in coordinating and communicating policy on place-based innovation and collaboration initiatives, such as innovation precinct development initiatives. This included consideration of a non-prescriptive national statement of principles.

The Australian Government has developed this flexible Statement, rather than implement a formal, prescriptive national strategy. The Statement provides non-prescriptive guidance on best-practice with encouragement of bottom-up leadership to drive precinct development.

The Statement recognises that:

- there is a broad range of existing guidance available on precinct development;
- state and local governments, universities and businesses usually play the leadership role in precinct development;
- there are already many active, emerging and planned innovation precincts; and
- there are a broad range of existing Australian Government initiatives, particularly recent [changes to research block grant funding](#) and [research impact](#) measurement, that directly and indirectly support innovation precinct development.
- There is also significant Australian Government activity to facilitate collaboration, including the [Industry Growth Centres Initiative](#), [Entrepreneurs' Programme](#), and [Cooperative Research Centres Program](#)

The Statement is intended to foster improved innovation precinct development by clarifying the role of the Australian Government, and aligning and informing inter-related activities and future planning by businesses, the research and education sector, and governments at all levels who are seeking to develop precincts.

What are innovation precincts?

The Statement is focussed on precincts as a means to drive business and economic growth, by boosting collaboration and innovation – that is, ‘innovation precincts.’ In this context, ‘innovation’ includes both new innovative entrepreneurship and startup activity, and innovation by established businesses and sectors to improve their competitiveness and long-term sustainability, including tapping into existing knowledge.

The terms ‘Innovation Precincts’, ‘Innovation Districts’, ‘Innovation Hubs’, and ‘Technology Parks’ are used to describe forms of geographic clustering of knowledge-based activity. There are many legitimate definitions. In this Statement, the term ‘innovation precincts’ encompasses all of these variations. Innovation precincts function as place-based innovation ecosystems. Their common features include a:

- widely understood geographic extent (even though boundaries are often fuzzy);
- shared sense of identity amongst those involved; and
- strong set of formal and informal networks and partnerships between people and businesses, researchers, education and training organisations and government.

It takes many years for a sophisticated, richly networked innovation precinct to develop. However, in time, a highly evolved precinct can achieve well-established collaboration mechanisms and a recognised position as an important regional, national and even potentially international value creation hub within its fields of expertise.

Outcomes of National Consultations and Research

During 2017, the Australian Government consulted and undertook research advised by the University Precincts Advisory Committee. Findings are summarised below.

- There is strong evidence innovation precincts improve collaboration and innovation outcomes that contribute to business and economic growth.
- Collaboration partners, such as firms and researchers, expend significant energy seeking each other out. The geographical concentration of innovation precincts provides greater opportunities to form deep and trusting relationships between businesses, researchers, educators and the community.
- Precincts can provide both formal mechanisms for seeding and cementing new relationships – such as hackathons, networking events and network organisations – and informal opportunities for people to meet through chance interactions. Precincts can facilitate sharing of resources (e.g. research capability and conference facilities). They help people meet to share ideas, challenges and opportunities, and they help businesses to access talent.
- Exemplar innovation precincts are diverse; but they share common strengths, comprising physical, networking and economic assets.
- Local leadership by industry, research and education sectors, plus facilitation and long-term support from state and local governments is key to successful innovation precinct development. Local leadership is necessary to:
 - identify regional competitive strengths;
 - set a vision and achieve consensus around a development strategy; and
 - ensure research, education and training addresses industry and community needs.
- There are many existing and planned innovation precincts in Australia that frequently facilitate collaboration, multidisciplinary research and innovation. However, the scale of many of these innovation precincts is much lower in Australia than in comparable countries in North America or Europe, and their full potential is arguably less widely understood among participants.
- Many existing Australian Government, state and territory and local government initiatives support collaboration, and in turn support innovation precincts. Governments also play an important role in funding research and the training of highly skilled researchers.
- Effective place-making is essential for precinct development. This means that for state and territory governments, and local governments, relevant initiatives can include measures not traditionally associated with research and innovation, such as changes to planning laws, transport infrastructure development, and improvements to the public realm.

- These government contributions are having a positive impact, but there is a risk that policy fragmentation within and across governments could limit the advancement of innovation that is place-based and innovation precincts as a shared goal.
- Many international jurisdictions facilitate research–industry collaboration through successful regional and place-based innovation initiatives. These approaches are relatively new in Australia, with varying degrees of implementation success.

The Government’s Response

The Australian Government is launching this national Statement and committing to work towards a future where innovation precincts are an integral part of the broader innovation system by 2030.

Nevertheless, the Australian Government recognises that ultimately, local-level participants must provide the primary impetus for innovation precinct development.

If all stakeholders take steps to foster place-based innovation and collaborative local, regional and national networks in line with this Statement, we can utilise Australia’s world-class assets to realise our full growth potential and secure a prosperous future.

Aims of the Statement

This Statement provides guidance to:

1. foster industry–research collaboration;
2. ensure initiatives effecting innovation precinct development align with the Australian Government’s agenda for increasing innovation and collaboration;
3. connect stakeholders locally, nationally and internationally; and
4. facilitate local leaders’ access to the best available evidence on developing and running an innovation precinct.

The Statement balances high-level guidance on best practice while encouraging bottom-up leadership. It promotes locally driven innovation precinct development based on local needs, competitive strengths, and innovation potential.

Principles

The Statement is based on four core principles.

- 1 Local leadership:** Local leadership should drive precinct development that targets real market opportunities and innovation potential, measured by clear key performance indicators, to promote growth.
 - State and local governments can have an important role in convening local stakeholders and facilitating long-term collaborative precinct planning.
 - They also have a role providing supportive policy settings (e.g. allowing collaborative commercial activity on Crown land where universities operate), land planning and infrastructure, and other services.
- 2 Removing barriers and aligning policy:** All stakeholders should work to remove barriers and disincentives to collaboration and precinct development, and promote alignment across existing programs.
 - Governments, university networks and relevant communities of practice should identify and facilitate access to evidence on best practices in precinct development.
 - Large organisations, especially governments, large firms, universities, research organisations, TAFEs and hospitals, should ensure their procurement practices promote better collaboration and innovation.
- 3 Building capability and connections:** All stakeholders should encourage the development of capability and connections for their precinct; including person-to-person connections, and precinct integration into surrounding communities and local, national and international networks and supply chains.
 - Precinct leaders and partners should work to improve transparency and precinct marketing capability domestically and internationally.
- 4 Skills development:** Precinct leaders and partners should coordinate strategy on skills and improve student employability and entrepreneurialism.

Strategic direction

The Statement contributes to the [National Innovation and Science Agenda](#) and also supports the [Smart Cities Plan](#), election commitments to develop innovation precincts, the [Industry Growth Centres Initiative](#) and [Regions 2030](#). It also aligns with recommendations outlined in Innovation and Science Australia's [Australia 2030: Prosperity through Innovation plan](#). The Statement forms a key part of broader realignments within our national innovation system to accelerate improvements in industry-research collaboration, and research translation and commercialisation.

Australia enjoys a reputation as the 'lucky country,' enjoying prosperity thanks to natural endowments and good fortune. This Statement, as part of the Government's broader innovation agenda, will encourage the right settings for precinct development as an important part of Australia's innovation system, making it easier for us to make our own luck and secure this prosperity into the future.

Next steps

For this Statement to have an impact, all stakeholders will have to work to drive innovation precinct development that aligns with the principles. This will include the Australian Government committing to:

1. Considering the value of innovation precincts and place-based innovation in driving economic growth, including regional and urban development;
2. Facilitating innovation precincts to better market their capabilities both domestically and internationally;
3. Working with state and territory governments to improve the complementarity of existing arrangements, and leverage networks, expertise and experience;
4. Encouraging precincts to share best practice approaches through communities of practice;
5. Considering end-user and industry knowledge, innovation and research needs; and encouraging similar activity at a local level; and
6. Monitoring the impacts of reforms, ongoing precinct development and best practice adoption; and considering the case for further policy intervention.

The Australian Government will maintain a web presence and central contact point to coordinate activity and engage with interested stakeholders and across all levels of government on issues relating to innovation precincts. The Australian Government will also consider emerging issues and challenges.

The Australian Government calls for similar commitments from other stakeholders, particularly leaders of existing and emerging innovation precincts, and state and territory governments.