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Translation of ideas is Australia's key to growth'

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Over the past decade the world's centre of economic gravity has shifted from US and Europe to Asia at a speed and scale greater than any previous point in history (McKinsey & Company). This shift has been accelerated by the global financial crisis which has left western economies facing a long road to recovery. In contrast, Australia has directly benefited from growth in the Asia-Pacific region as extraordinary Asian demand for resources and energy has been central to our economic growth over the last decade.

As this demand stabilises, Australia needs to look at more strategic, sustainable ways to leverage growth in the region and build a diverse, sustainable economy. Profound new forces are shaping the global economy. From security of resources like food and fuel, to an ageing population, these forces are also creating global market opportunities for new solutions.

Scientific discoveries will give us the capacity to respond and the companies and countries which can innovate most rapidly are likely to gain the most benefit. Nations around the world are establishing innovation strategies, restructuring their tax and regulatory systems to become more competitive, expanding support for science and technology and improving their education and systems to attract and retain the brightest minds. Fostering R&D and the translation of ideas will be key to the next phase of growth in Australia.

The Australian Federal and Queensland State governments have enacted and propose several initiatives to stimulate innovation in Australia. The R&D Tax Incentive is a federal program designed to stimulate innovation by helping organisations offset some of the costs of doing R&D. The two core components of the program are; a 45 percent refundable tax offset to eligible entities with an aggregated turnover of less than USD20 million per annum; and, a non-refundable 40percent tax offset to all other eligible entities.

The Australian Federal Government also announced the proposed establishment of a Medical Research Future Fund commencing with an initial investment of USD1 billion in 2015, with a target to grow to USD20 billion by 2020. This fund will be designed to strengthen the competitiveness of our medical research sector by fostering innovation.

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On a state level, the Queensland Government has proposed a USD500 million Entrepreneurial and Innovation Fund. Details regarding this fund are still being finalised, however LSQ is working closely with the government to understand how the fund might be structured and utilised. To this end, LSQ has supported Trade and Investment Queensland and a number of our Members by engaging Mr Josh Lerner to undertake a review of the Queensland ecosystem in order to make recommendations for consideration by Government and other stakeholders.

Ultimately, these initiatives are designed to stimulate the generation of knowledge and ideas in Australia, to shape a diverse, readily adaptable and globally competitive economy and importantly, position Australia as a sought after partner in a changing world for the benefit of our region.