



Australian Government



AUSTRALIA'S
ECONOMIC
ACCELERATOR

2025

Research
Commercialisation
Strategy

Australia's Economic Accelerator
(AEA) Advisory Board



With the exception of the Commonwealth Coat of Arms, the Department's logo, any material protected by a trade mark and where otherwise noted all material presented in this document is provided under a Creative Commons Attribution 4.0 International (<https://creativecommons.org/licenses/by/4.0/>) licence.

The details of the relevant licence conditions are available on the Creative Commons website (accessible using the links provided) as is the full legal code for the CC BY 4.0 International (<https://creativecommons.org/licenses/by/4.0/legalcode>)

The document must be attributed as the *Research Commercialisation Strategy 2025*.

Contents

Foreword	2
Vision	3
Aims and Objectives	3
Translation of research and the commercialisation pathway	4
Objectives of Australia's Economic Accelerator	5
AEA Investment Priorities	6
Identifying investment opportunities in new and emerging technologies	6
Alignment with areas of national priority	6
Aligning research focus with industry demand	7
Supporting Australia's greenhouse gas emissions reduction targets	7
Barriers to commercialising university research	8
Appendix A –Research Commercialisation Barriers and AEA Actions	9
Cultural Barriers	9
Financial Barriers	11
Regulatory Barriers	12

Foreword

Under Section 42-1 of the *Higher Education Support Act 2003* (HESA), the Advisory Board of Australia's Economic Accelerator (AEA) is required to develop a 5-year research commercialisation strategy to guide AEA investments, for consideration by the Minister for Education ahead of tabling in Parliament.

Over the first year of AEA's life, the Board and the Department of Education have had rich discussions on AEA with stakeholders across government, universities and researchers, investors and industry. This engagement has informed and shaped our approach, and will continue as we monitor the investment thesis of the AEA to accelerate the realisation of innovation outcomes. AEA's responsiveness to changing circumstances will be ensured through annual AEA investment plans setting out detailed policies that underpin the ambitions of this strategy.

AEA provides non-dilutive grant funding to commercialise university research projects aligned with the Government identified priority areas of the economy (outlined in the *National Reconstruction Fund Corporation (Priority Areas) Declaration 2023*)¹.

This research commercialisation strategy provides the vision, aims and objectives of AEA and the Board's plan to drive innovation in national priority areas. The strategy sets out how the Board will focus AEA investment into priority areas that align research activity with industry demand and adapt these over time as national priorities evolve. It also stipulates how these will encourage applications that support with the transition to the Australian Government's legislated target of net zero by 2050.

Finally, the strategy outlines the Board's direction on how AEA will address cultural, financial and regulatory barriers to commercialising university research.

In 2024, the Australian Government established a Strategic Examination of Research and Development (SERD) to examine how Australia can derive more value from its research investments. The SERD will report to Government with an action plan in 2025. Accordingly, the AEA Advisory Board will review this research commercialisation strategy in 2026, taking into account SERD recommendations and subsequent government commitments.

¹ Two other programs are aligned with these priorities. The Industry Growth Program provides advice and funding for startups and small and medium enterprises (SMEs) to undertake early-stage commercialisation and take products to market. The National Reconstruction Fund Corporation (NRFC) provides investment (debt, equity or guarantees) to early-stage startups, growth-stage companies and mature businesses that are driving high growth innovative products in the 7 national priority areas.

Vision

A stronger and more complex Australian economy² through public and private investment in research to deliver commercially viable enterprises.

Aims and Objectives

To reform Australia's research landscape, boosting partnerships between universities and industry to create commercially sustainable solutions that benefit Australians.

As part of the Australian Government's Research Translation and Commercialisation Agenda (RTCA), the Department of Education has deployed a series of initiatives, each providing different mechanisms to address the multi-faceted issue of commercialising Australian university research. These include:

- a new intellectual property framework (Higher Education Research Commercialisation IP framework) to support businesses in working with universities on commercial projects
- funding to expand CSIRO's Main Sequence Ventures to catalyse venture capital investment in Australian research, and support for CSIRO's ON program that helps build entrepreneurial and commercialisation skills among researchers
- a suite of industry-focused PhD and fellowship schemes that span the research career pathway, including the National Industry PhD Program supporting PhD candidates to undertake industry-focused research projects
- the Trailblazer Universities Program (2022–23 to 2025–26) to support universities to build new research capabilities, drive commercialisation outcomes and boost collaboration with industry
- Australia's Economic Accelerator providing funding for proof-of-concept and proof-of-scale research projects with clear commercial potential in areas of national priority.

Together, these initiatives provide a system-wide approach with the objective of successful translation of university research into economic outcomes. The success factors targeted were informed through analysis of successful international programs³:

- 1. At scale investments:** Government funding is at scale and sustained over a longer-term horizon.
- 2. Focus on specific priorities:** Commercialisation investments are directed at national priorities where industry demand and research capability are strong.
- 3. Industry leadership:** Entrepreneurs and companies pull on research to resolve uncertainties in product development and market validation rather than academics pushing ideas out.
- 4. Well-established connections:** Collaboration between universities and industry is synergistic and includes workforce compatibility and mobility.
- 5. Engaged research institutions:** Research institutions are open and engaged with industry.

2 Economic complexity describes how diverse a nation's productive capabilities are. The Harvard Atlas of economic complexity measures this by the diversity and complexity of a nation's exports. In 2023, Australia ranked 105th of 145 countries, falling by 10 positions compared to its position in 2015, driven by a lack of diversification of exports.

3 University Research Commercialisation Action Plan, Department of Education, 2022.

Translation of research and the commercialisation pathway

The translation of university research into real-world outcomes takes diverse paths and has the potential to provide widespread social and economic benefits. This may include improved decision-making in public policy and new value adding products and services.

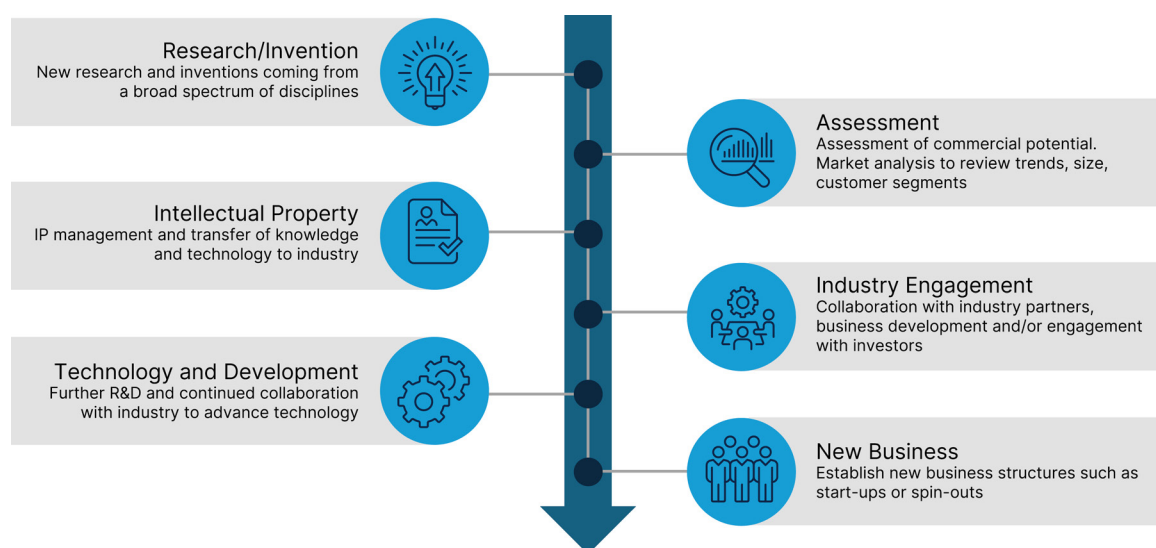
AEA and other RTCA initiatives are specifically aimed to address the translation of university research into commercial outcomes. However, this will also enable broader cultural shifts in Australia's research ecosystem that drive other, non-commercial, returns. This includes increased recognition for academics with diverse and non-traditional career pathways and better mechanisms for researcher engagement with industry and other end users to more deeply understand market needs and opportunity.

It is also important to note that research commercialisation is not incumbent upon or limited to any sub-section of the research system. Research results with value adding potential will come from the broad spectrum of disciplines, spanning the physical sciences, engineering, the arts, humanities and social sciences.

As can be seen in Figure 1 below, a wide array of skills is needed to bring a discovery to market. In addition to the research that may inform the design and development of a new product or service, the commercialisation pathway includes business model development, commercialisation mentors, communication and marketing capabilities, legal advisory, and financiers among others. This expertise must be available at the right time in the commercialisation journey to improve the likelihood of commercial success. **RTCA initiatives aim to uplift this entire ecosystem.**

Figure 1. Research commercialisation pathway

Research commercialisation pathway, as adapted from the 2023 SCOPR report (Knowledge Commercialisation Australasia). Noting there is no singular commercialisation journey, the figure demonstrates the diversity of research and professional skills required for the translation of discoveries into commercial returns.



Objectives of Australia's Economic Accelerator

Australia's Economic Accelerator (AEA) provides a long-term funding program to support the overarching aim of creating a more connected innovation ecosystem that delivers commercial returns.

AEA will implement a bias-to-action and fast-fail model designed to attract projects at a proof-of-concept (AEA Ignite) and proof-of-scale (AEA Innovate) level of commercial readiness. AEA provides non-dilutive grants to innovative researchers who are looking to partner with industry and end-users. AEA investment will be directed toward areas of national priority where there is high commercial opportunity and clear industry demand. AEA design also requires industry engagement at all stages of the pipeline with formal partnerships and 1:1 co-investment needed to access proof-of-scale funding and help align successful projects to diverse commercialisation and venture pathways.

This ensures funding is at the scale required to drive commercialisation outcomes and qualifies the commercial potential through industry engagement and investment in R&D. Alignment to national priorities supports a coordinated and targeted R&D pipeline.

Through this design and in support of the overarching agenda, AEA will provide grants with the following objectives:

1. Support higher education providers to amplify industry relevant activities and commercialisation outcomes, through partnership with industry.
2. Support research activities with commercial potential aligned to national priority areas, undertaken by higher education providers.
3. Boost the commercial acumen and innovation capability of higher education providers and university researchers to accelerate realisation of impact from research investments.
4. Foster a culture of collaboration between universities and industry, including greater job mobility and career development opportunities across both sectors.
5. Encourage industry engagement with university research, as a source of research capability to deliver economic impact.

AEA Investment Priorities

Identifying investment opportunities in new and emerging technologies

As required under HESA, the Board will address matters in relation to investment opportunities in areas of national priority and its annual investment plan. Annual investment plans will be consistent with this strategy.

Building on lessons from the AEA 'Seed' pilot program, the first investment plan (2024–25) was published on 17 July 2024 on aea.gov.au to support the opening of the inaugural grant rounds for AEA Ignite and AEA Innovate. The current 2025–26 investment plan was published on 23 July 2025, in conjunction with the opening of round 2 for AEA Ignite and AEA Innovate.

For each plan, the Board will advise on investment priorities that match quality university research with industry demand and capture emerging technology and innovation opportunities. The Board will consider a range of factors to identify suitable priorities, including market opportunity in terms of size and timing, strength of research capability, development infrastructure, the regulatory and policy environment, and available capital.

Annual AEA investment priorities must support areas of national priority outlined in the *Other Grants Guidelines (Research) 2017* (see more below). These factors will be informed by analysis and engagement across government and with industry and other stakeholders.

The investment plan will also address any other matters the Board considers appropriate to ensure AEA meets its program objectives and supports the university research sector to boost Australia's economic resilience in national priority areas.

Alignment with areas of national priority

To ensure AEA investment catalyses outputs with the potential to deliver benefit to Australians, it **must be aligned with the Government's broader economic plan and strategic ambitions**, such as the transition to a net zero economy.

Therefore, AEA investment priorities are aligned to the Government-identified priority areas for the economy⁴ in the *Other Grants Guidelines (Research) 2017*. AEA investment priorities that are identified through annual investment plans must support these overarching priorities and align with other relevant work, such as the Government's co-investment plans.

AEA will also support the Government's agenda for a Future Made in Australia plan. AEA will support the commercialisation of university research that helps propel Australia as a leader in renewable energy, green hydrogen, green metals, and low-carbon liquid fuels, and adds value to its natural resources, in particular critical minerals.

Finally, AEA will also support the revitalised National Science and Research Priorities⁵ and drive the research collaborations between universities and industry required to solve our greatest challenges.

⁴ These priorities are reflected in the *National Reconstruction Fund Corporation (Priority Areas) Declaration 2023*.

⁵ Australia's National Science and Research Priorities, Department of Industry, Science and Resources, 2024.

Aligning research focus with industry demand

AEA engagement with industry is critical to ensuring the overall success of the AEA program, both through industry support for AEA-funded projects and by better positioning Australian research to solving real-world problems.

AEA will support meaningful industry engagement with the program, through: (i) participation in projects through partnerships and co-investment and (ii) industry consultation to shape AEA design and delivery.

AEA investment should be focused on sectors where Australian research has potential to impact real and sizeable industry problems. The Board will drive this ambition through its annual investment plans, by setting investment priorities that are responsive to industry needs and that support broader national goals in innovation. The Board will also shape application requirements that ensure proposals address AEA goals that differ to those of typical university-facing grant programs. Assessment will also be conducted by experts with suitable backgrounds in industry and research commercialisation. This will help align research focus with industry demand and reduce fragmentation of R&D activity across the country.

Priority managers will conduct outreach and engagement that facilitates practical connections and relationships between universities, industry, investors and government and further informs the Board's directions on AEA investment.

Supporting Australia's greenhouse gas emissions reduction targets

HESA stipulates that this strategy must not be inconsistent with Australia's greenhouse gas emissions reduction targets.

The Board considers that AEA should remain consistent with and actively support Australia's ambitions to reach net zero by 2050.

To support this aim, **each annual investment plan will identify one or more funding priorities that will deliver commercial outcomes with clear potential to reduce Australian greenhouse gas emissions.**

This includes supporting the goals, targets and priorities of Australia's Circular Economy Framework.⁶ The framework calls out the importance of research and academia in the implementation of the circular economy transition through enabling innovation, education and advocacy. AEA can help drive the commercialisation of research that unlocks Australia's competitive innovation edge in sectors that will drive the circular economy forward.⁷

⁶ Australia's Circular Economy Framework, Department of Climate Change, Energy, the Environment and Water (DCCEEW), 2024.

⁷ The Circular Advantage, Department of Climate Change, Energy, the Environment and Water, 2024.

Barriers to commercialising university research

Recent analyses have presented barriers to research commercialisation and outlined key issues faced by the broad R&D sector in Australia in progressing innovation into commercial sustainable products, services and business models.^{8,9}

The table below presents some of the most important barriers faced by researchers and industry in the commercialisation of university research. These were drawn from the Department of Education's University Research Action Plan⁸ and refined based on discussions with AEA stakeholders and other recent work.⁹

Appendix A further outlines these barriers and highlights how AEA design is shaped towards addressing these. However, we note that AEA does not possess all the levers necessary to impact the full breadth of this far-reaching set of issues. This is reflected in the actions presented for AEA.

Addressing the barriers below will require a concerted approach from areas of government and the university and industry sectors. The Board will continue to engage widely to support collaboration towards this ambition.

Table 1. Barriers to commercialising university research

Type of barrier	Barriers to commercialisation of university research
Cultural	■ Misalignment of values and operational expectations between government, university and industry sectors ■ Low mobility of staff between government, research and industry and low permeability between sectors ■ Australian geographical and regional challenges ■ Government, academia and industry not agile to policy and technology change ■ Diversity and inclusion need addressing to broaden approach and scope ■ Limited recognition of First Nations knowledge systems and approach to ethical research, such as ICIP (Indigenous Cultural & Intellectual Property)
Financial	■ Lack of capability and experience in dealing with complexities in intellectual property management ■ Risk appetites and uncertainty associated with project viability ■ High proportions of small and micro enterprises in Australia, with limited capacity for innovation as well as lack of R&D appetite from larger companies
Regulatory	■ Red and green tape

At the end of each financial year, the Board will provide an annual report on the operations of the Board and funding outcomes from the reporting period.

In accordance with HESA, the annual report will include updates on how AEA is addressing cultural, financial, and regulatory barriers to translating and commercialising university research.

⁸ University Research Commercialisation Action Plan, Department of Education, 2022.

⁹ Barriers to Collaboration and Commercialisation, Industry Innovation and Science Australia, 2023.

Appendix A –Research Commercialisation Barriers and AEA Actions

Cultural Barriers

Misalignment of values and operational expectations between university and industry sectors

Differences in priorities, values and culture between university and industry sectors limit collaboration between industry and universities, often leading to informal and infrequent interactions rather than engaged collaborations and partnerships. An example is the differing timeframes and precision of research results required between sectors. While universities perception of research and projects are on longer trajectories, industry (and especially small-and-medium-size companies) tend to engage in short-term projects with lower levels of precision and completeness required of results. Such differences have been examined at length for Australia's research and development landscape, including as part of the Department of Education's University Research Commercialisation Action Plan.

Low mobility of staff between research and industry

Mobility between the sectors is challenging as skill sets, operational behaviours and key performance indicators for industry and academia differ substantially. For early career academics, job security issues and promotion decisions rely on performance targets that reflect university priorities, such as receiving category one grants (ARC), other successful grant applications and high impact journal articles. A lack of incentives provided by universities to work with industry and little prioritisation of these partnerships result in academic researchers not developing the skillsets or institutional support necessary to work with industry. This mobility challenge may also reflect the lack of permeability of the sectors as well, compounding the challenges.

Australian geographical challenges

Australia is a vast country with large distances between population centres, which can be challenging for industry-university collaboration. Businesses and universities are more likely to collaborate on research and development if they are in proximity to each other. Despite extensive digital infrastructure which assists in overcoming distance, there are issues around reliability of infrastructure in regional and remote areas. This limits the support and research infrastructure needed for regional, rural, and remote researchers to collaborate efficiently with industry.

Academia and industry not agile to policy change

The need for over-the-horizon planning for long-term innovation, development, and research means that changes in government policies can result in misalignment between current research interests and government priority settings. Government policy changes, including the renaming of programs, can disrupt long-term research when they introduce new regulatory settings or change the focus of government investment in research that universities have not prioritised yet. Opportunities for new technologies such as AI and quantum are also emerging at an increased pace and there is need for ecosystems that bring together researchers and end-users to enable commercialisation and uptake.

Diversity and inclusion need addressing to broaden approach and scope

Research by Universities Australia^{10,11} supports that Australia would benefit economically, scientifically, and commercially from greater participation by regional, First Nations and women researchers. Further, Universities Australia acknowledge the benefits of Indigenous-led research to be recognised and promoted.¹²

Limited recognition of the full potential of First Nations knowledges

First Nations knowledges and First Nations values systems¹³ are underutilised in Australian research and development. Research that involves individuals and/or First Nations communities must follow a process of meaningful engagement and consultation to be effective as well as compliant with ethical research standards such as the AIATSIS research guidelines.¹⁴ This often requires investment in collaborative systems with differing speeds of trust, between researchers and First Nations knowledge holders, which may be different from research program timelines.

AEA Actions Addressing Cultural Barriers

- AEA constitutes a consistent framework for research and industry collaboration, catalysing more effective long-standing partnerships. AEA will enable greater exchange of knowledge and skills, reducing the mismatch between these sectors and building capability for Australia's future innovation workforce. AEA will build on existing relationships with Indigenous researchers, developing a culturally informed framework to disseminate benefits across First Nations people.
- AEA Priority Managers will act as intermediaries between university and industry sectors to facilitate appropriate problem definitions and set common, reasonable expectations for research outcome and commercialisation timeframes. They will also work with applicants nationwide to support and foster collaborations with industry which will be particularly useful for applicants from regional universities to help diminish geographical barriers.
- AEA will provide consistent direction on funding priorities, providing more certainty to universities and industry. This will be supported through annual investment plans and underpinned by a clear communication strategy to ensure the sector remains engaged.
- AEA will require applicants to detail culturally safe research practices and ethical principles within their application when the proposal is directly or indirectly related to First Nations communities. These applicants must also consider the needs of First Nations communities research when establishing appropriate project timeframes and milestones. All AEA funded research must comply with the AIATSIS Code of Ethics for Aboriginal and Torres Strait Islander Research.¹⁵

10 Higher Education Facts and Figures, Universities Australia, 2022.

11 Clever collaborations: the strong business case for partnering with universities, Universities Australia, 2019.

12 Indigenous Strategy 2022–25, Universities Australia, 2022.

13 Indigenous Strategy 2022–25, Universities Australia, 2022.

14 AIATSIS Guide to applying the Code of Ethics for Aboriginal and Torres Strait Islander Research, 2020.

15 AIATSIS Code of Ethics for Aboriginal and Torres Strait Islander Research, AIATSIS, 2020.

Financial Barriers

Lack of capability and experience in business plan development and evaluating the role of research within it

Effective identification of the value that research outcomes represent to a business plan is central to successful university research commercialisation. Researchers, universities, and industries coming together to develop IP often lack financial resources, time, and expertise, cultural awareness, as well as not understanding the needs and objectives of all parties involved. This results in unnecessary complexities as IP is developed, especially when translation and commercialisation pathways are first being explored within research institutions.

Risk appetites and uncertainty associated with project viability

There are inherent financial risks in funding projects at the proof-of-concept phase, as only some projects will prove to be viable. Countries with a higher risk appetite and stronger entrepreneurial spirit are more likely to fund riskier early-stage research and development, as outlined in an analysis conducted by the World Economic Forum. However, Australia ranks poorly among counterparts (36th out of 141 countries) on attitudes towards entrepreneurial risks.¹⁶

High proportion of small and medium enterprises in Australia with limited capacity for innovation and limited appetite for R&D investment by larger companies

Australia is dominated by small and medium business enterprises (SMEs), with over 93% of all Australian businesses having fewer than 20 workers.¹⁷ SMEs tend to have limited capacity for innovation due to a lack of free cash flow and a shortage of skilled labour, while larger companies have a limited appetite for R&D investment.

AEA Actions Addressing Financial Barriers

- AEA requires recipients to offer to use the Higher Education IP (HERC IP) framework when entering negotiations with third parties for activities funded under the Ignite and Innovate streams. The framework offers detailed information and standardised templates to assist businesses when working with universities.
- AEA will incentivise key performance indicators (KPIs) that promote early testing of project viability and a fast-fail mindset. Rapid and efficient validation of the opportunity is a key objective in the early stages of commercialisation.
- Non-dilutive funding provided by the AEA will help alleviate financial and regulatory risk for researchers and industry partners who are cautious of investing in research at the proof-of-concept phase.

¹⁶ The Global Competitiveness Report, World Economic Forum, 2019

¹⁷ Barriers to Collaboration and Commercialisation, Industry Innovation and Science Australia, 2023

Regulatory Barriers

Red and Green Tape

Australia's regulatory landscape may discourage university and industry efforts for research translation and commercialisation. Regulation and legislation often must be considered in earlier stages of research as well as in the translation and commercialisation stages of research. However, stakeholders may not have access to relevant expertise. In addition, regulation and associated legislative processes may not keep pace with rapid innovation, leading to heightened perceptions of risk and loss of social licence.

AEA Actions Addressing Regulatory Barriers

- AEA will strongly encourage early consideration of the regulatory environment as demonstrated through project description and the selection of appropriate milestones. AEA also requires applications to comply with relevant regulatory frameworks. Priority managers will promote these considerations in project planning and progression.

