

31 January 2024

Standing Committee on Public Administration
Parliament House
4 Harvest Terrace
WEST PERTH WA 6005
By email: lcco@parliament.wa.gov.au

Dear Committee Members,

Submission to Inquiry into Innovation in Western Australia

Committee for Perth is an independent, not-for-profit organisation that challenges and advocates for change on behalf of our members to make Perth consistently one of the most liveable cities in the world. We have more than 115 member organisations from more than 40 different industry sectors through the Perth global region, stretching from Yancheep in the north to Mandurah in the south and Kalamunda in the east.

Our membership includes important innovation leaders like the Pawsey Supercomputing Centre, BHP, Rio Tinto, Woodside Energy, as well as education institutions such as Curtin University, Edith Cowan University, Notre Dame University, the University of Western Australia and North Metropolitan TAFE.

I thank you for the opportunity to make a submission to your inquiry into innovation in Western Australia, which will focus on the innovation ecosystem.

Our submission draws upon our most recent research project, **Future of Work: Equipping WA and its people to lead the Nation in the future world of work (2021)**. This report is available on our website at www.committeeforperth.com.au.

One section of this report – published as part of a broader research project to understand how technology and automation, combined with relevant global and workforce megatrends, are shaping the future of work – looks at the opportunities for innovation in WA.

The **Future of Work** report argues that WA has significant potential to be an innovation leader by leveraging its established record as an early adopter and innovator of new technologies, especially in the resources sector, as well as creating new products and services.

But the report highlights that despite a strategic advantage as a leader in AI and advanced technologies in the mining and resource management sector, WA and the Perth region do not have a global reputation of being innovative, even within the Asia-Pacific region.

It found that the level of R&D investment in WA is lower than in other major States, with Australia's investment in R&D considered low by global standards.

Evidence and feedback from organisations and individuals as part of our research project identified three key barriers to innovation in WA: lack of government strategy, regulatory barriers, and inadequate investment in or partnerships for R&D.

The report identifies that significant forward planning, including by government and industry, will be needed to overcome these barriers to position WA as an advanced State of innovation and technological adaptation.

But there are significant advantages which WA can leverage.

For example, WA's existing AI strengths in the goods production and resource management sectors put it in an enviable position to position itself as a national R&D hub to develop AI to reduce costs and improve productivity in a broad range of sectors. These include agriculture, mining, fisheries, forestry, environmental management, space and agritech.

The report notes that partnerships are a key component of a healthy innovation ecosystem, as is a culture of rewarding entrepreneurship and risk-taking. WA's relatively small but highly connected business networks – where Committee for Perth plays an influential role – are a significant opportunity for collaboration between government and industry.

It says that a strong innovation ecosystem needs government regulations which support and nurture an entrepreneurial approach and recommends the WA Government increase investment in R&D to levels that are at least comparable with that of other States and Territories.

The report presents two scenarios for WA's innovation future: a pessimistic picture where WA lags and an optimistic and opportunistic scenario in which WA is a nation leader. To become a leader requires action including:

- Collective and aligned investment to establish WA as a leader in R&D, innovation and technology and developing new markets;
- Leveraging our strategic advantages to become a global AI trailblazer in sectors like transport, agriculture, fishing, forestry and natural resource management;
- Shifting away from our dependence on mining and resources to invest in other sectors of the economy like advanced goods production, commodities of the future and service exports like health, education, tourism and professional services;
- The WA Government creating the conditions for growth and innovation by proactively reforming policy, regulations and funding mechanisms to adopt to changing global market conditions, stimulate economic growth and meeting industry needs; and
- Taking a leadership role in solving global challenges, for example, becoming a leader in energy innovation and climate change adaptation

While Future of Work is our most recent research into innovation, Committee for Perth has long championed the importance of innovation to Perth's future success.

For example, **Towards a Bright Future: A vision for Perth as a region of 3.5 million people (2012)** highlighted the potential for Perth to build on its resource and energy sector to establish

the Perth global region as a globally significant centre of scientific and technological innovation, including as a leader in renewable energy.

Committee for Perth also welcomes the work by the WA Government and its partners to establish important centres like the WA Data Science Innovation Hub and investment in the Future Health Research and Innovation Fund.

Please do not hesitate to contact me if you have any questions about this submission or would like to arrange for Committee for Perth to appear before the standing committee to answer questions.

Yours sincerely,

Paula Rogers
Chief Executive Officer