



EUROPEAN CLUSTER
COLLABORATION PLATFORM

Country factsheet

Australia

An initiative of the European Union





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Introduction



This document presents an overview of the cluster policy in Australia. Given its importance to contextualise the cluster policies (and related) analysed in the factsheets, a comprehensive outlook of the country in socioeconomic terms can be consulted in the [OECD Economic Survey for Australia 2018](#).

The “Economic Surveys” present the major challenges faced by the country, evaluates the short-term outlook, and makes specific

policy recommendations.

The COVID-19 pandemic has caused an unprecedented economic shock to the Australian and global economy. In response, the Australian government has drafted an [Economic Recovery Plan for Australia](#), setting up the measures put in place in response to the crisis. This strategy mentions the need to support a range of industries, regions, and communities that have been most affected by the COVID-19 pandemic, especially through the creation of a \$1 billion Relief and Recovery Fund, but does not refer to clusters or to industry growth centres to achieve this goal.

01

National cluster policy, programmes and initiatives



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1. National cluster policy, programmes and initiatives

Policy type:	National cluster Policy	Regional cluster policy
Policy name:	<u>Industry Growth Centres Initiative</u> <i>Foreign Trade Policies/internationalisation</i>	<u>Regional Manufacturing Clusters 2018-2020, Victoria</u>
<p>POLICY OBJECTIVES</p> 	<p>Strengthening cooperation between companies or industry and RTDI actors</p> <p>Increasing competitiveness and boosting scale up of SMEs</p> <p>Supporting internationalisation activities</p> <p>Fostering R&D activities, technology development and implementation</p> <p>Fostering innovation and strengthening innovation ecosystems</p> <p>Supporting cluster excellence and professionalisation of cluster management</p> <p>Promoting entrepreneurship, start-ups and spin-offs</p> <p>Promoting social and sustainable economy and other solidarity-based initiatives</p> <p>Promoting employment and upgrading skills and competences</p> <p>Strengthening the network of cluster organisations/cross-clustering</p> <p>Cluster analysis and support for policymaking</p> <p>Connect to global supply chains</p>	<p>Strengthening cooperation between companies or industry and RTDI actors</p> <p>Increasing competitiveness and boosting scale up of SMEs</p> <p>Supporting internationalisation activities</p> <p>Fostering R&D activities, technology development and implementation</p> <p>Fostering innovation and strengthening innovation ecosystems</p> <p>Promoting entrepreneurship, start-ups and spin-offs</p> <p>Promoting employment and upgrading skills and competences</p> <p>Connect to global supply chains</p> <p>Strengthening the network of cluster organisations/cross-clustering</p>
	The Industry Growth Centres Initiatives objectives are to improve competitiveness and productivity of strong sectors in the Australian economy. The initiatives intend to address	Policy objective focuses on supporting regional manufacturers in capacity building, collaboration and investing in innovation.



	structural reforms and barriers to productivity, innovation and competitiveness.	
POLICY FOCUS 	Cross-sectoral The sectors identified as growth centres include advanced manufacturing, cyber security, food and agribusiness, medical technologies and pharmaceuticals, mining equipment, technology, and services (METS), and Oil, gas, and energy resources.	Sectoral The cluster is focused on the manufacturing industry in Regional Victoria.
	Both drafting and implementation Provides funding Oversees the implementation The Department of Industry, Science, Energy and Resources is responsible for administering the programme, each industry growth centre proposal is considered and approved by the Minister.	Provides funding Oversees the implementation Both drafting and implementation The programme is funded by the Victorian Government and is delivered by Ai Group.
RESPONSIBLE AUTHORITIES 	SMEs Research organisations Academic institutions Start-ups Business associations Large firms Technology centres General population Industry growth centres (IGCs) focus on increasing opportunities to international markets, increasing collaboration and commercialisation, capacity building and identifying	SMEs Research organisations Large firms Two streams to the regional manufacturing clusters program:
BENEFICIARIES 		



		opportunities for regulatory reforms. IGCs are intended to increase research and development (R&D) coordination and collaboration that improves commercialisation outcomes, increases the number of small and medium sized enterprises (SMEs) that are integrated into domestic and global supply chains, improve employment opportunities and skillset of workforce.	<p>1) Collaborative Business Improvement Program. Eligibility requirements for this stream included businesses with 15 to 70 employees and location in and around Ballarat-Warrnambool, Bendigo-Mildura, Shepparton-Echuca, Traralgon-Morwell and Wodonga-Wangaratt.</p> <p>2) Innovation Culture Program, eligibility to apply included businesses with 55 or more employees and location in and around Ballarat-Warrnambool, Bendigo-Mildura, Shepparton-Echuca, Traralgon-Morwell and Wodonga-Wangaratta.</p>
INSTRUMENTS 	Financial	<p>Funding collaboration initiatives</p> <p>Support to R&D projects, SMEs becoming cluster members, etc.</p> <p>Supporting market entry (e.g. testing, proof-of concept, prototyping, demonstration projects)</p> <p>Financing networking events</p>	<p>Funding collaboration initiatives</p> <p>Support to R&D projects, SMEs becoming cluster members, etc.</p> <p>Financing networking events</p>
	Technical assistance	<p>Support for hard skill development: knowledge transfer, intellectual property, entrepreneurship, export advice, market intelligence</p> <p>Support for soft skills development: coaching, management training, upskilling/reskilling</p> <p>Support for networking and partnership building (at national and/or international level)</p>	<p>Support for hard skill development: knowledge transfer, intellectual property, entrepreneurship, export advice, market intelligence</p> <p>Support for soft skills development: coaching, management training, upskilling/reskilling</p> <p>Support for networking and partnership building (at national and/or international level)</p> <p>Marketing activities: advertising, communication, events, fairs, and so on</p>



	Explanation	Funding for Industry Growth Centres will be for four years under Industry Growth Centre Funding Agreements. Grant funds can be used for purposes such as facilitation and coordination, salaries, services, leases, and equipment costs. Growth centres may access project fund outside the four-year period, if they meet satisfactory requirements set in guidelines	The 2-year program covers capacity building, opportunities to work on export development, explore new supply chain opportunities. It also gives opportunities to participate in workshops and events that help knowledge sharing. Participants also receive coaching sessions from business leaders and are given opportunities to collaborate with researchers.
HISTORY 	Period	Limited period	Limited period
	Ending year <i>(for policies with limited period)</i>	2020	2020
	Starting year	2018	2018
	Explanation	Funding is provided for a four-year period under the Industry Growth Centre Funding agreements. Growth centres may access project fund outside the four-year period, if they meet requirements set in guidelines. It is expected that growth centres can seek additional funding from founding members as well.	It is a 2-year program focused on peer learning, collaboration and quantifiable outcomes. Participating businesses also contribute EUR 3,107 towards the cost of the program.
BUDGET 	Overall	EUR 45.9 million over the first four years of operation for each growth centre ¹	Data unavailable

¹ *ibid.*



	Annual	EUR 2.17 million for each growth centre ²	Data unavailable
	Source of funding	Commonwealth government	The program was funded by the Victorian Government's Advancing Victorian Manufacturing statement. Participating businesses also contribute EUR 3,107 towards the cost of the program.
<p>POLICY</p>  <p>EVALUATION</p>	Availability	ex-ante	no policy evaluation
	Results	<p>Advanced Manufacturing Growth centre (AMGC) expects that improving Australia's total manufacturing competitiveness could add 25-35% in value to the economy in 2026, potential to generate EUR 149.16 million in revenue for Australian businesses and 1,100 in highly skilled workers. AMGC has engaged with 2,500 firms through workshops and collaborative projects.</p> <p>Cyber Security Growth Centre (AustCyber) is expected to yield an increase in value from EUR 1.36 billion in 2016 to EUR 2.92 billion in 2026. The growth centre has delivered and hosted several events to help small businesses pitch their services to the government. It has also engaged over 650 companies since January 2017 and has over 230 Australian cyber security companies in its program.</p> <p>Food and Agribusiness growth centre (Food innovation Australia Limited FIAL)-FIAL has engaged over 15,000 firms in the sector through capacity building workshops, tradeshow and learning events. The industry has exported EUR 25.60 billion worth of goods, which represents 12% of total exports recorded in 2018.</p> <p>Medical Technologies and Pharmaceuticals Growth centre (MTP connect)- By 2025, the sector has the potential to create 28,000 more jobs and extra EUR 11.18 billion to the Australian economy. MTP has engaged 3970 organizations and 14,270 individuals through workshops, and learning events.</p>	No publicly available evaluations, or evidence that these exist, were found.

² *ibid.*



		<p>Mining Equipment, Technology and Services Growth Centre (METS Ignited)- has engaged 1890 firms through workshops and learning events and hackathons. The Initiative has funded 16 collaborative projects valued at over EUR 12.42 million through the METS Ignited Project Fund.</p> <p>Oil, Gas and Energy Resources Growth Centre (NERA)- has engaged 2320 firms through workshops and networking events. The sector provides 85,900 full time jobs valued at EUR 34.23 billion.³</p>	
<p>POLICY ALIGNMENT</p> <p>WITH THE EU</p> <p>PRIORITIES</p>		<p>Digitalisation</p> <p>Social inclusion</p>	<p>Social inclusion</p>

³ *ibid.*

02

State of play of cluster policy



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2. State of play of cluster policy

The data below illustrates how the country ranks in terms of maturity of cluster policy. The maturity index is based on a combination of factors presented in Chapter 1 and which are scored based on their existence:

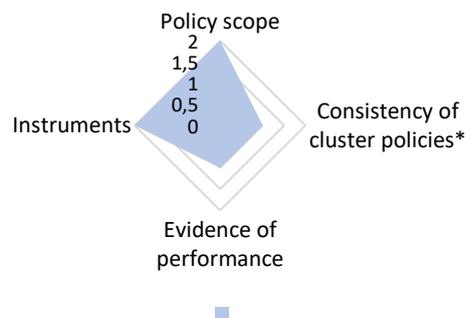
- **Policy scope:** whether the country has a dedicated cluster policy, or cluster creation and/or development is targeted through broader policies (existence of broader policies = 1 point; existence of targeted cluster policies = 2 points)
- **Consistency of cluster policies:** assessment of the duration and experience of the country in doing cluster policies. This dimension assesses only existing cluster policies and not broader policies (no cluster policies available = 0 points; < 10 years of experience or > 10 years (but interrupted) = 1 point; > 10 years (but with clear continuity) = 2 points)
- **Evidence of performance:** the existence of monitoring and evaluation mechanisms determines the degree of policy development in the country (no evaluations = 0 points; existence of evaluations of past policies or in-itinere = 0.5 points; existence of ex-ante and/or ex-post evaluations = 0.5 points)
- **Instruments:** whether the policies provide any instruments to support the policy implementation, being these financial and/or technical assistance (1 point for each type of instrument available)

It is important to note that the maturity does not reflect the performance of a country, but only the degree of development of their cluster policy at the moment when the data was collected (2020 and 2021). The maturity index illustrates how the country scores for each of these four dimensions (policy scope, consistency of cluster policies, evidence of performance and instruments) compared to the maximum score that they can reach.

	Australia	Maximum score
Policy scope	2	2
Consistency of cluster policies*	1	2
Evidence of performance	1	1
Instruments	2	2

** This dimension is scored solely if the country has a dedicated cluster policy and it assesses only cluster policies*

Cluster policy maturity level





State of play of cluster policy in the country

Policy evaluation (for terminated policies)	<p>No policy evaluation</p> <p>The Regional Manufacturing Clusters programme was designed to be a 2-year initiative. It was initiated June 2018 and ended June 30th, 2020. Such policies are relatively new in Australia.</p>
Policy approach in the country	<p>Policy support for the activities of cluster organisations</p> <p>Cluster approach used directly by national/regional development agencies</p> <p>Specific policies to support cooperation projects</p> <p>Broad-based framework policies to support cooperation effectiveness</p>
Continuity	<p>Australia has a national cluster policy: the Industry Growth Centres Initiative. It also has a few regional policies, such as the 'Regional Manufacturing Clusters Program' in Victoria. The Industry Growth Centres Initiatives is supporting the overall Australian Government's Modern Manufacturing Strategy, by driving innovation, productivity and competitiveness in 6 key growth industry sectors. It is an ongoing policy since its launch in 2015.</p>
Consistency	<p>< 10 years</p> <p>Australia's policy history began in the late 1980s has been relatively consistent over the years, with a few policy such as the Multifunctions Polis (MFP), which was terminated in 1998. However, these were broad policies involving some sort of support for cluster development. The apparition of a national cluster policy only took place with the Industry Growth Centres Initiative, as part of the Australian Government's Industry, Innovation and Competitive Agenda (2014) and the National Innovation and Science Agenda (2015). Since 2015, it has contributed to the creation of 6 Growth Centres (FIAL, AMGC, METS Ignited, MTPConnect, NERA and AUSTCYBER), all involved in developing or supporting cluster policy actions in their sector.</p>

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