



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 the 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 2021](#).

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.

In the following, a succinct overview of the cluster policy in Australia will be provided. The structure of this factsheet generally encompasses:

- 1) an overview of the national cluster policy and an insight into the regional cluster policy,
- 2) an assessment of the state of play of the national cluster policy.

01

National cluster policy, programmes and initiatives



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1. National cluster policy, programmes and initiatives

In this section we provide an overview of the existing Australian cluster policies on a national as well as an example of the regional level cluster policy.

The breakdown is presented in the form of a table, with the first column showcasing information on the aspects which constitute the policy (beginning with 'Policy Objectives', following with 'Policy Focus', etc.). The second column represents the case of an Australian national cluster policy, whilst the third represents an exemplary regional cluster policy in Australia. This factsheet showcases a new example of a national cluster policy in Australia.

Within the table the text presented in bold (black) depicts standardised categories across country factsheets (56 in total for 2022), which are applied for comparative purposes. This is followed by a complementary descriptive text to provide more insights about the cluster policy in Australia.

Policy type:	National cluster Policy	Regional cluster policy
Policy name:	<u>Industry Growth Centres Initiative</u>	<u>Regional NSW (New South Wales) Cluster</u>
POLICY OBJECTIVES 	Strengthening cooperation between companies or industry and RTDI actors Increasing competitiveness and boosting scale up of SMEs Supporting internationalisation activities Fostering R&D activities, technology development and implementation Fostering innovation and strengthening innovation ecosystems Supporting cluster excellence and professionalisation of cluster management Supporting the consolidation of existing cluster organisations Promoting entrepreneurship, start-ups and spin-offs Promoting resilience and sustainable economy and other solidarity-based initiatives Promoting employment and upgrading skills and competences	Increasing competitiveness and boosting scale up of SMEs Fostering R&D activities, technology development and implementation Fostering innovation and strengthening innovation ecosystems Supporting the consolidation of existing cluster organisations Promoting entrepreneurship, start-ups and spin-offs Promoting resilience and sustainable economy and other solidarity-based initiatives Promoting employment and upgrading skills and competences



Policy type:	National cluster Policy	Regional cluster policy
Policy name:	Industry Growth Centres Initiative	Regional NSW (New South Wales) Cluster
	<p>Strengthening the network of cluster organisations/cross-clustering</p> <p>Cluster analysis and support for policymaking</p> <p>Increase supply chain resilience</p>	
	<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 structural reforms and barriers to productivity, innovation and competitiveness.</p>	<p>Policy objective focuses on:</p> <ol style="list-style-type: none"> 1. Productive and sustainable land use 2. Stronger primary industries 3. Mineral & petroleum industries generating prosperity, safely <p>Stronger & cohesive regional communities and economies</p>
POLICY FOCUS	Cross-sectoral	Cross-sectoral
	<p>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.</p>	<p>Guided by the DPI (Department of Primary Industries), the state's focus is directed towards primary industries ranging from: Agri-food, manufacturing, tourism, forestry, mining & resources, education, logistic, and to renewable energy.</p>
RESPONSIBLE AUTHORITIES	<p>In charge of drafting</p> <p>In charge of implementation</p> <p>Provides funding</p> <p>Oversees the implementation</p>	<p>In charge of drafting</p> <p>In charge of implementation</p> <p>Provides funding</p> <p>Oversees the implementation</p>
		



Policy type:	National cluster Policy	Regional cluster policy
Policy name:	Industry Growth Centres Initiative	Regional NSW (New South Wales) Cluster
	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.	The programme is principally guided by the Department of Regional NSW (DRNSW)
<p>BENEFICIARIES</p> 	<p>SMEs</p> <p>Cluster organisations</p> <p>Research organisations</p> <p>Academic institutions</p> <p>Start-ups</p> <p>Business associations</p> <p>Large firms</p> <p>Technology centres</p> <p>General population</p> <p>Industry growth centres (IGCs) focus on increasing opportunities to international markets, increasing collaboration and commercialisation, capacity building and identifying 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>	<p>SMEs</p> <p>Start-ups</p> <p>Large firms</p> <p>With a focus on primary industries, aspects pertaining to productivity, growth and ensuring the sector's sustainability to the benefit of citizens is the main priority.</p>



Policy type:	National cluster Policy	Regional cluster policy
Policy name:	Industry Growth Centres Initiative	Regional NSW (New South Wales) Cluster
<p>INSTRUMENTS</p> 	<p>Financial</p> <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>Financing start-ups</p>	<p>Funding collaboration initiatives</p> <p>Support to R&D projects, SMEs becoming cluster members, etc.</p> <p>Financing networking events</p>
	<p>Technical assistance</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>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>
	<p>Explanation</p> <p>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</p>	<p>The specific programme of the Regional NSW Cluster will invest in the aforementioned 4 outcome pillars:</p> <ol style="list-style-type: none"> 1- Productive and sustainable land use 2- Stronger primary industries



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		they meet satisfactory requirements set in guidelines	<p>3- Mineral & petroleum industries generating prosperity, safely</p> <p>4- Stronger & cohesive regional communities and economies</p>
HISTORY 	Period	Limited period	Limited period
	Ending year <i>(for policies with limited period)</i>	<ul style="list-style-type: none"> • 2015-2016 (+ 4 years) • 2019-2020 • 2021-2022 	2023
	Starting year	2015	2020
	Explanation	Funding has been provided over multiple time periods 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.	Coordinated through the Department of Regional NSW, it was established in April 2020 to coordinate support for communities, businesses and farmers hit by natural catastrophes (bushfires, floods) and the COVID-19 pandemic
	Overall	Data unavailable	Data unavailable
Annual	\$20M (2021-2022), ~EUR 64.000.000 per year	Data unavailable	



Policy type:	National cluster Policy		Regional cluster policy
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BUDGET 	Source of funding	No data available	No data available
	POLICY EVALUATION 	Availability	ex-ante
	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 forms 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,</p>	<p>Drawing on the Cluster Outcome Statement 2021-22:</p> <p>Productive and sustainable land use:</p> <ul style="list-style-type: none"> - Improved prevention of pests & diseases spread, enhancing the management of soils, water, plants, animals, and agriculture industries' products. - Improved land management practices: supporting drought & bushfire recovery, enabling 32 mio improved hectares <p>Stronger primary industries:</p> <ul style="list-style-type: none"> - Publication of research in high impact scientific journals from DPI <p>Mineral and petroleum industries thriving:</p> <ul style="list-style-type: none"> - positive correlation between state's share of exploration expenditure and mineral & petroleum discovery & mining investment. - Effective regulatory oversight on high risk & priority mine sites (compliance with WHS & Mining Act 1992)



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	<p>tradeshows 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> <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.</p>	<p>Stronger and cohesive regional communities and economies:</p> <ul style="list-style-type: none"> - Employment growth of 1.1% (50,000 jobs) -
<p>POLICY ALIGNMENT WITH THE EU PRIORITIES</p> 	<p>Green Economy</p> <p>Digitalisation</p> <p>Resilience</p>	<p>Green Economy</p> <p>Resilience</p>

02

State of play of cluster policy



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2. State of play of cluster policy

This section presents an overview of the state of play of Australian cluster policy in the form of a quantitative and qualitative assessment. The data below illustrates how the country ranks in terms of **maturity of cluster policy at the national level**. The maturity assessment is based on a combination of factors presented in Chapter 1, which receive a score based on the existence or absence of a given element in the cluster policy. The regional cluster policy example is not included in this assessment.

Note: the maturity assessment does not reflect the performance of a country, but only the degree of development of their national cluster policy at the moment of data collection (Q3 2022). The assessment illustrates how the country scores for each of the four criteria (policy scope, continuity of cluster policies, evidence of performance, cluster support instruments) compared to the maximum score that they can reach. Please refer to the Annex for a detailed overview of the categories and the scoring system.

The table below presents an overview of the **maturity assessment for Australia** for 2022. The total score of Australia is 6 points out of 8.

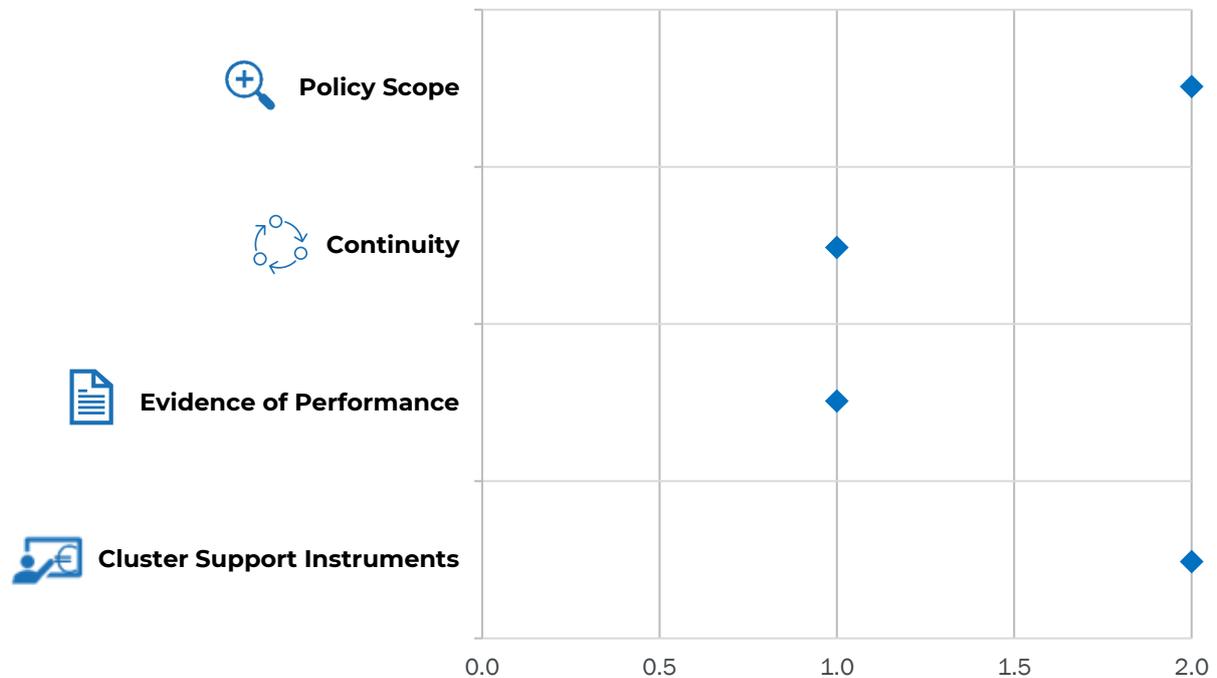
Australia	MATURITY ASSESSMENT	Max score	Actual score
POLICY SCOPE	Absence of cluster policy	0	
	Broad policy	0,5	
	Sectoral policy	1	
	National and/or regional cluster policy	2	2
CONTINUITY	No cluster-specific policy available	0	
	Cluster policy established recently	0,5	
	Cluster policy established between over 2 and 10 years	1	1
	Cluster policy established over 10 years ago	2	
EVIDENCE OF PERFORMANCE	No evaluation and / or monitoring available	0	
	Existence of evaluations of past policies	0,5	
	Existence of monitoring or an ongoing / interim evaluation	1	1
	Existence of monitoring and ex-ante or ongoing / interim evaluation	2	
CLUSTER SUPPORT INSTRUMENTS	No instruments for cluster development	0	
	Financial support for cluster development in the broader and / or sectoral policy	0,5	
	Financial or technical support for cluster development in dedicated cluster policy	1	
	Financial and technical support for cluster development in dedicated cluster policy	2	2
TOTAL (8)			6

Source: ECCP (2022)



Drawing from the table above that showcases the scored points in Australia's cluster policy, the Figure below portrays the **degree of maturity** across four categories related to the national level cluster policy.

Figure 1: Maturity of cluster policy - Australia



Source: ECCP (2022)

The text below provides a **qualitative description** of the state of play of the cluster policy in Australia, which is complementary to the maturity assessment presented above.

Policy scope

Regarding the policy scope and approach to clusters, the case of Australia is defined by its wide array of different centres with different focus areas:

- AMGC (Advanced Manufacturing Growth Centre)
- AustCyber (Cyber Security Growth Centre)
- FIAL (Food and Agribusiness growth Centre)
- MTPConnect (Medical Technologies and Pharmaceuticals Growth centre)
- METS Ignited (Mining Equipment, Technology and Services Growth Centre)
- NERA (Oil, Gas and Energy Resources Growth Centre)

Through its sector-targeted approach, the Australian government places importance on building collaborative forces between government and industry, as well as fostering collaboration between the respective growth centres themselves. These take the form of distinct programmes as seen below:

- IMNIS: Industry Mentoring Network in STEM
 - MTPConnect
 - NERA



- METS Ignited
- CORE Innovation Hub
 - METS Ignited
 - NERA
- Ribit (through Data61)
 - FIAL
 - MTPConnect
 - AustCyber

Monitoring and evaluation are carried out with each specific programme, with the Australian government's DPI taking the helm of this on an annual basis.

Continuity

Primary industries set the foundation for the first industrial clusters in Australia, with these focusing on food processing clusters. Industrialisation and increased manufacturing reached larger scales during the 1950s, leading to vertically integrated production systems through national firms and industry agglomeration. Toward the 1980s, the Australian governments on Federal and State levels directed their attention to restructuring the national economy in a bid to become more competitive and productive. In sum, the most significant changes amount to growth in business service development, productivity gains and the removal of protective tariffs as well as financial deregulation. Particularly the latter had a significant impact on local and regional domestic industries.

Later in the 1990s clustering was readdressed a means to bolster regional industry and economic development, with the 1994 McKinsey report 'Lead Local, Compete Global' contributing to this approach. In response, Australia's Federal Labour government initiated the 'Working Nation' policy and multiple other programmes to facilitate cluster development for stimulating regional industry development in Australia. Due to a lack of experience and resources, cluster development initiatives failed to make the immediate impact that was initially expected.

Nevertheless, cluster-driven policies were not entirely dismissed by the Australian government. In 2000, the Department of State and Regional Development initiated strategic audits of industries (e.g.: in Victoria), in a bid to support identifying business needs and develop long-term strategies. With other clusters and policy initiatives spurning in the beginning of the 21st century, the Australian government was driven to foster growth through a strategic, sector-based programme, which would later take the form of the 2015-initiated Industry Growth Centre Initiative.

Evidence of performance

The Department of Industry, Science and Resources of the Australian Government conducts its own evaluations on the performance of the respective centres that are integrated in the Industry Growth Centres Initiative. Hereby, the individual centres (AMGC, AustCyber, etc.) enlisted in the [Progress and Impact](#) report, provide information on the results and impact of the initiative.

Cluster support instruments

The industry Growth Centre Initiative provides financial as well as technical assistance to the distinct sub-centres in a myriad of ways. Funds form the basis of the support, intended to aid in facilitating and coordinating projects, as well as covering costs for salaries, services, leases and equipment.

Furthermore, the overarching Growth Centre Initiative works as a form of networking platform, in which collaboration is fostered between the respective growth centres themselves, as uttered in the former 'Policy Scope' sub-section.

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Annex

Criterion of maturity assessment	Description	Scoring (points between 0 and 2)
Policy scope	assessment whether the country has a dedicated cluster policy, or cluster creation and/or development is targeted through broader policies, e.g. foreign trade policies, labour and social policies or specific sectoral policies, e.g. industrial policy tourism policies, agriculture policies	absence of cluster policy = 0 existence of broader policies = 0,5 existence of specific sectoral policies = 1 existence of targeted cluster policies = 2
Continuity of cluster policies	assessment of the duration and experience of the country in carrying out cluster policies. This criterion assesses only existence of targeted cluster policies and not broader policies or sectoral policies	absence of policies supporting cluster development = 0 cluster policy established recently (within the last 2 years) = 0,5 cluster policy established between over 2 and 10 years = 1 cluster policy established over 10 years ago = 2
Evidence of performance	assessment whether there are evaluations of past and ongoing policies and a monitoring system in place. The existence of monitoring and evaluation mechanisms determines the degree of policy development in the country	no evaluation and / or monitoring available = 0 existence of evaluations of past policies, e.g. ex-ante = 0,5 existence of monitoring or an ongoing / interim evaluation =1 existence of monitoring and ex-ante or ongoing / interim evaluation =2
Cluster Support Instruments	assessment whether the policies provide any instruments to support the policy implementation, being these financial and/or technical support	no instruments for cluster development =0 financial support for cluster development in the broader and / or sectoral policy = 0,5 financial or technical support for cluster development in dedicated cluster policy = 1 financial and technical support for cluster development in dedicated cluster policy = 2

Source: ECCP (2022)