Assessing Innovation Systems In Australia’s Regions

R&D presence and investment does not suffice for a region to be innovative. On the contrary, a number of regions without any R&D presence demonstrate a strong capacity for innovation.

For example, despite a minimal R&D presence Warrnambool (Vic) exhibits strong business dynamo elements such as intensity of trademark applications. In Figures 12 and 13, the high scores are ‘hot’ (red), grading through to the low scores being ‘cool’ (blue).

![Figure 12: Warrnambool by Trademark applications (left); Science and Engineering Jobs (right)](image)

The regional cluster of Byron, Ballina and Lismore (NSW) also exhibits this relationship with high trademark application rates but low proportions of people employed in science and engineering.

![Figure 13: Byron, Ballina, Lismore by Trademarks (left); Science and Engineering (right)](image)

Conversely, Armidale Dumaresq (NSW) in Figure 14 has strong performance on patent applications with a research organisation present, yet is weak on new business entries, demonstrating that R&D measures do not automatically translate to commercial enterprise.
These figures highlight the fact that innovation relies on a variety of measures, with each region displaying unique sets of characteristics. Consequently, innovation investment must take into account the innovation ecosystems within regions, not simply R&D investment alone. Without such an approach, innovation cannot flourish.

As the economy challenges regions to become more specialised and competitive, innovation is likely to become a central component in regional economic growth strategies. For regions to take full advantage of the current national innovation push, they must be empowered with relevant data that allows them to assess areas of strength as well as areas which need to, or could be, improved. This does not simply mean a narrow sectoral and science based R&D, but a multidimensional approach to innovation, one that incorporates institutions, geography, entrepreneurialism and connectivity. xvi

The danger here is that innovation, as a ‘rallying-cry’ for economic growth, becomes emptied of meaning through overuse. xvii As such, it becomes more important than ever to focus on the environment around innovation and to be aware that the measurement of innovation often determines how we understand it. Policies and programs aimed at innovation need to reflect the reality of this process in its entirety, developing strategies which enable each unique region to reach its full innovative potential, not simply a dogmatic bolstering of linear R&D spending. Without such an approach, the concept of innovation will lose all meaning, to the detriment of both regional Australia and the country as a whole.