

**Western Australian Government Response to Standing Committee on Public Administration - Report 43 - Breaking new ground: innovation in Western Australia**

<b>Rec. Number</b>	<b>Recommendation</b>	<b>Agency Response</b>
1	The Western Australian Government partner with industry to conduct an in-depth economic analysis of the innovation ecosystem to provide a baseline and report on the growth, maturity and economic value of the startup and innovation ecosystem in Western Australia.	<p><b>Supported in principle.</b></p> <p>In 2022, the Government commissioned Dealroom to create a public portal to monitor the flow of funding and deal activity in Western Australia, to improve the visibility and transparency of the State's early-stage venture funding market. This platform is now publicly available on an ongoing basis, enabled by State Government investment, improving the visibility of innovation related funding activity.</p> <p>A function of the recently established Innovation Advisory Board will be to advise what metrics and data should be used to measure the State's progress in implementing the Innovation Strategy and growth of the innovation ecosystem over time. Advice from the Innovation Advisory Board will inform how government, in consultation with industry, can improve reporting on the growth, maturity and economic value of the startup and innovation ecosystem in Western Australia.</p>
2	The Western Australian Government consider providing more grant opportunities, based on the high number of applicants and expressed positive return on investment.	<p><b>Supported in principle.</b></p> <p>The Western Australian Government has a diverse range of grants available to businesses and other enterprises to support commercial growth, business development and research and innovation.</p> <p>An independent evaluation of the effectiveness and impact of the current New Industry Fund (NIF) programs is being undertaken. The Government will take into consideration the findings from this review and industry feedback to inform how the Government could provide more grant opportunities through existing or new programs.</p>
3	The Western Australian Government consider setting a target for research and development spending as part of its 10-year	<p><b>Noted.</b></p> <p>The Western Australian Government's 10 Year Science and Technology Plan will position</p>

	<p>Science and Technology Plan for Western Australia.</p>	<p>Western Australia as a global hub for leading and inclusive science and research.</p> <p>The Australian Bureau of Statistics publishes data and estimates for gross expenditure on research and development (GERD) across the business, government, higher education and private non-profit sectors. The ABS also publishes data for business expenditure on R&amp;D (BERD)<sup>1</sup> by jurisdiction, expressed as a proportion of gross state product, and government expenditure on R&amp;D (GOVERD) as both levels of expenditure and relative to gross state product<sup>2</sup> (GSP).</p> <p>The Western Australian Government will continue to monitor this data and consider if appropriate targets are useful in determining the desired outcomes identified in the upcoming Science and Technology Plan.</p>
4	<p>The Western Australian Government consider setting a target and a pathway to increase the proportion of Federal Government grants that go to Western Australian innovation.</p>	<p><b>Noted.</b></p> <p>The WA Government continues to work collaboratively with the Australian Government to enhance the State's economic development, including its innovation ecosystem. In March 2024, the WA Government established the Canberra Hub to champion the State's priorities and raise awareness of Western Australia's unique characteristics, challenges and opportunities. JTSI and other economic development agencies harness the Canberra Hub, as well as other engagement forums including National Cabinet, interjurisdictional working groups, and officer-to-officer engagement, to shape the national economic agenda in alignment with Western Australian priorities and help enable Western Australian initiatives, industry and innovation to gain access to available Australian Government support.</p> <p>The Western Australian Government has been proactively engaging with the Australian Government to shape its innovation agenda and policies, including by informing major</p>

<sup>1</sup> Refer to: [Research and Experimental Development, Businesses, Australia, 2021-22 financial year | Australian Bureau of Statistics \(abs.gov.au\)](#).

<sup>2</sup> Refer to: [Research and Experimental Development, Government and Private Non-Profit Organisations, Australia, 2022-23 financial year | Australian Bureau of Statistics \(abs.gov.au\)](#).

		<p>national initiatives such as the Future Made in Australia agenda, National Reconstruction Fund (NRF) and Industry Growth Program, to ensure the needs of Western Australian industry are reflected in program design and implementation. This includes collaborating with the Australian Government to support the inclusion of Western Australian representatives on key boards and working groups, such as the NRF and in the development of the National Quantum Strategy.</p> <p>In addition, the Western Australian Government, also works closely with the Australian Department of Industry, Science and Resources to ensure that innovative Western Australian initiatives and businesses are supported to provide competitive applications to Australian Government funding processes.</p>
5	<p>The Western Australian Government investigate increasing the funding available under the WA Venture Support program to ensure it is competitive with other jurisdictions.</p>	<p><b>Noted.</b></p> <p>To help address the funding gap in Western Australia for early-stage innovation, the Western Australian Government established the Venture Support (WAVES) 2022-2025 pilot program. The WAVES pilot program has provided operational funding support to encourage the establishment of three new venture capital funds in Western Australia, primarily aimed at addressing the early-stage funding gap.</p> <p>The Western Australian Government is monitoring the performance and outcomes of the WAVES program and, taking into consideration progress of the recently released Western Australian Venture Capital initiative (detailed below), will investigate the future of the WAVES program. Furthermore, while Western Australia's nascent venture capital market remains small compared to the larger Eastern States, it is important to strike the right balance to ensure the venture capital market here is well-suited to the pipeline of innovative startups seeking funding.</p>
6	<p>The Western Australian Government, after taking into consideration the cost and benefit of an investment fund-of-funds, establish a Western Australian Venture Investment Fund.</p>	<p><b>Supported.</b></p> <p>In September 2024, the Western Australian Government committed \$30m to the Western Australian Venture Capital (WAVC) initiative to provide cornerstone investment for a WA venture capital fund-of-funds, to increase the availability of early-stage venture capital in WA and provide greater funding for innovative Western Australian enterprise. This commitment</p>

		<p>has been undertaken in concert with a formal request for proposal process to draw applications from qualified venture capital funds, interested to participate, through a fund-of-funds approach.</p> <p>Together with the earlier WAVES program and the more recent WAVC initiative, the Government has undertaken two significant foundation initiatives to stimulate the WA venture capital market and build local capability and experience. Opportunities to grow the market beyond these initiatives will be carefully assessed, informed by the insights and learnings gained through these programs and careful analysis of relevant stakeholder feedback, market conditions and the anticipated costs and benefits to the State.</p>
7	The Western Australian Government investigate establishing an investor education program for high-net-worth individuals.	<p><b>Supported in principle.</b></p> <p>The Western Australian Government has made numerous investor education investments to support venture finance development, through the New Industries Fund's XTEND program. It is necessary to ensure program delivery respects Australian investor protections and other compliance obligations.</p> <p>In view of the recent WAVES, WAVC and existing XTEND initiatives, JTSI will investigate suitable mechanisms and/or partnerships to strengthen investor education and broaden appetite to invest in local innovation enterprises.</p>
8	The Western Australian Government consider carrying out scoping studies for new innovation hubs in critical sectors to bolster Western Australia's position in key industries and drive technological advancements.	<p><b>Supported.</b></p> <p>Innovation hubs were established by the Western Australian Government to help support emerging and critical sectors, and industry needs. This includes the recently established Green Tech Hub, which focuses on supporting the growth of both emerging and established green technology businesses and driving innovation in Western Australia to support a sustainable low-carbon future.</p> <p>The Western Australian Government, in consultation with industry and academia, will continue to assess the appropriateness of its existing innovation hub portfolio and the need for new hubs, against its future industry development and broader government priorities.</p>
9	All hubs funded by the Western Australian Government should develop a code of	<b>Supported.</b>

	<p>conduct that outlines the rights and expectations of individuals who interact with the hub to ensure a safe, respectful environment. Regular reviews of these codes should be conducted</p>	<p>Innovation hubs directors are employed by external partner organisations, primarily universities, and are required to comply with their employer's code of conduct.</p> <p>To provide a safe, respectful environment, the State Government has included a clause in all NIF-related program guidelines and funding agreements. This clause outlines the responsibilities of funding recipients and references the rights and expectations of individuals interacting with hub and/or funded programs. Codes of conduct have also been added to all Hub websites and are communicated at all Hub events.</p>
10	<p>The Western Australian Government work with industry to strengthen communication policies and campaigns to showcase Western Australian innovators and innovations.</p>	<p><b>Supported.</b></p> <p>The need to showcase Western Australian innovation to the world was clearly supported in the WA Innovation strategy, with promotion and adoption a priority action area. The Western Australian Government delivers and supports several initiatives to achieve this objective, including the Innovator of the Year program, Premier's Science Awards, West Tech Fest, 2024 'Innovation Nation' TV show and various articles, publications and events throughout the year.</p> <p>The Western Australian Government's global campaign showcased Western Australian innovators during a burst of activity in 2024 focused on content partnerships. Through trusted publications with a global footprint including the BBC, The Guardian and The Times, the global campaign highlighted success stories of Western Australian businesses leading their industry through innovation, including home-grown talent and innovators who have found a home in WA. The content promoted Western Australia as a destination for innovation, highlighting opportunities for industry and investors.</p> <p>The Government will continue to work with industry and across government, to build on these initiatives, and explore new ones, to strengthen its efforts to showcase WA innovation.</p>
11	<p>A majority of the Committee, consisting of Hon Colin de Grussa MLC, Hon Darren West MLC and Hon Wilson Tucker MLC, recommend the Western Australian Government establish a role of either Chief Entrepreneur or Chief Innovator, as a standalone position or a role within the</p>	<p><b>Noted.</b></p> <p>The Western Australian Government has recently established the Innovation Advisory Board (IAB) with diverse representation across the Innovation ecosystem, to provide key innovation insights and oversight of progress against the WA Innovation Strategy's vision and goals.</p>

	Office of the Chief Scientist.	The merits in exploring this recommendation will be proposed for discussion at future IAB meeting.
12	A minority of the Committee, consisting of Hon Pierre Yang MLC and Hon Sandra Carr MLC, recommend the Western Australian Government, after taking into consideration the cost and benefit of the roles of the Chief Entrepreneur and Chief Innovator, and if it is in the interest of Western Australia, establish either a Chief Entrepreneur or Chief Innovator	<b>Noted.</b>
13	The Western Australian Government investigate ways to simplify procurement processes, including documentation and guidance material.	<b>Supported.</b>  The Western Australian Government supports the continuous improvement of government procurement to simplify and streamline documentation and processes wherever possible. Department of Finance provides agencies with access to goods and services procurement templates and guides, which are regularly reviewed and updated to, among other things, promote procurement process efficiency and transparency. JTSI regularly meets with the Department of Finance to discuss matters related to innovation and the ongoing enhancement of procurement processes. Finance has recently elevated information as a community outcome in the State's procurement framework and is developing practical resources to support agencies to contract with innovative SME's.
14	The Western Australian Government consider targets to increase the participation of small and medium-sized enterprises in public sector procurement processes.	<b>Noted.</b>  In August 2024, the Government released an updated WA Industry Participation Strategy (WAIPS 2024) expanding the scope for local industry content in State Government procurement, while respecting the important criteria against which appropriate supply sources are determined. WAIPS 2024 has four key focus areas: health and medical services; digital technology; climate change and innovation, with a number of specific policy and process targets, aimed at increasing local sourcing. Innovation was a key focus of this review with recommendations currently being developed.  In Western Australia as few as 0.2% of WA businesses are considered large, with more than 200 employees, and many of these, such as mining and financial companies, are not

		conventional government supply sources. Against the context of WAIPS 2024, the Government will continue to monitor whether there is any value in targets relating to small and medium enterprise.
15	The Western Australian Government ensure all government-supported organisations in the entrepreneurial ecosystem conduct regular mandatory diversity and equality training programs to staff.	<p><b>Noted.</b> The Western Australian Government through JTSI works with many organisations across the innovation ecosystem. The need for Western Australian Government partners to uphold and promote high standards of respect for all community members and especially those from diverse groups is explicit in the funding agreements which JTSI negotiates with its delivery partners and investees.</p> <p>At all government-supported innovation events, a public statement by representatives of government and/or partner organisations is delivered to ensure that high standards of respect and inclusion are expected at all events supported by the Western Australian Government in the innovation and entrepreneurial ecosystem.</p>
16	The Western Australian Government implement programs to address gender imbalances in venture capital funding and the innovation ecosystem.	<p><b>Supported.</b></p> <p>JTSI has undertaken a range of initiatives and administered targeted funding through New Industries Fund programs, to encourage and support female participation in the innovation ecosystem and venture capital market. This includes supporting the VentureX HQ X-Tend initiative to amplify opportunities for investing in women-led ventures, connect founders with the investor community, and grow the pool of women investors.</p> <p>The WA Government recognises the need for sustained programming to achieve a meaningful lift in female participation in the innovation ecosystem and venture capital market over time and will continue to explore new ways to achieve this.</p>
17	The Western Australian Government develop and implement programs to address the difficulties experienced by regional innovators.	<p><b>Supported.</b></p> <p>In early 2022, JTSI established a Regional Innovation Industry Advisory Group (RIIAG), a dedicated consultation forum with industry representation from the regional innovation community along with representation from the Department of Primary Industries and Regional Development and the Regional Development Commissions. RIIAG aims to ensure issues and challenges for regional innovators are considered in core innovation programming. RIIAG currently also includes regional First Nations representatives.</p>

		<p>Significantly, the dedicated diversity and inclusion funding mentioned above has been key to achieving a significant lift in successful outcomes for regional applicants to NIF programs, particularly the X-TEND program and modest improvements to levels of regional applications to the Innovation Booster Grant program, as well as the Innovators of the Year program.</p> <p>The Western Australia Government acknowledges that it will take time to see marked and sustained improvement to regional participation across the suite of innovation programs and supports the need for ongoing programs to address the challenges, some of which are structural, faced by regional innovators.</p>
18	<p>The Western Australian Government develop and implement programs to support Indigenous business founders and innovators.</p>	<p><b>Supported.</b></p> <p>JTSI has established an Aboriginal Economic Development and Engagement Unit (AEDEU), which supports the Aboriginal Business, Investment and Trade Advisory Board (Board). The Board has seven Aboriginal members (including the co-Chair) and seven Government representatives. JTSI also includes Aboriginal representatives on both of its innovation consultation groups.</p> <p>JTSI has also established the - <i>Mila Kaaditj</i> Aboriginal Career Escalator Undergraduate Program to improve the representation of Aboriginal people across the agency, with other government departments having similar initiatives.</p> <p>In 2023, dedicated funding for female founders, First Nations founders and other under-represented groups to be supported through NIF programs was announced.</p> <p>JTSI has also funded First Nations focused entrepreneurial support programs through NIF's X-TEND program. JTSI is working with First Nations-led organisations to understand how best to address the 'application barrier' for some First Nations people to its programs. First Nations programs that are co-designed with First Nations people, with suitable guidelines and application processes targeted specifically for First Nations people is necessary. The Western Australian Government will continue to consult with First Nations businesses and innovation stakeholders to address these issues.</p> <p>As part of West Tech Fest, the Western Australian Government also supports the First Nations House Summit, which highlights First Nations excellence through themes including</p>



		Economic Empowerment through Entrepreneurship, Innovation and Digital Inclusion, Culture and Collaboration, and Connection and Celebration.
--	--	---