

State investment a smart strategy, study shows

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State government investment in university research can yield bumper returns for local economies, according to a new report that puts a dollar figure on the dividends delivered by Queensland's Smart State strategy.

For every state government dollar invested in just one of the University of Queensland's leading biomedical science institutes, between \$4.50 and \$6.50 has been returned to the state economy, according to work by the Allen Consulting Group.

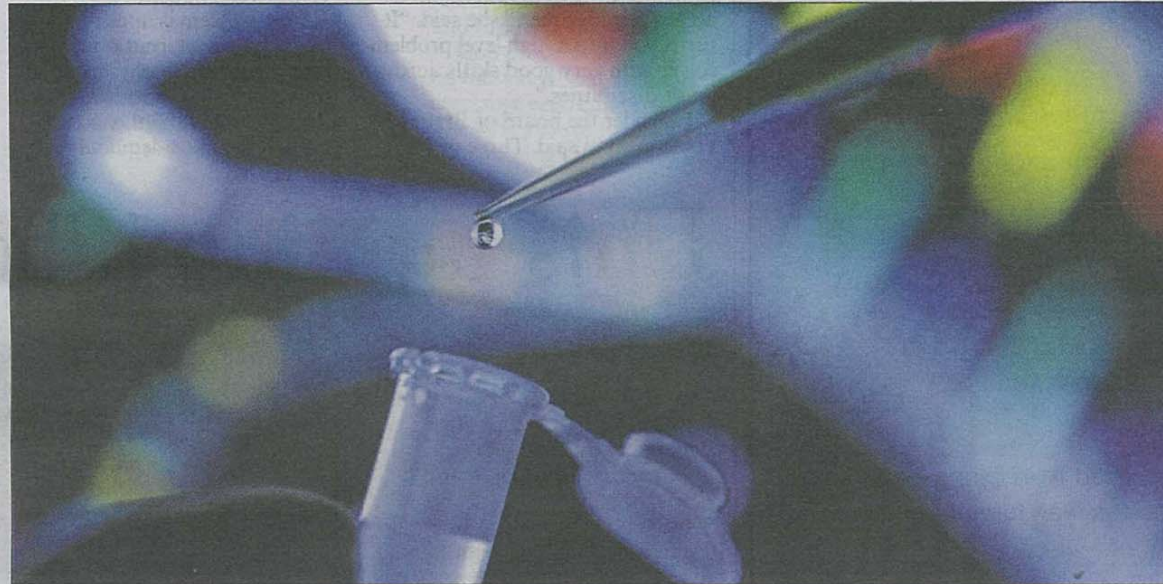
The finding is based on an economic assessment of the Institute for Molecular Bioscience, one of the flagship projects of the Smart State initiative.

The Smart State strategy has invested more than \$3.6 billion in science, research and innovation in three stages over the past 12 years.

The level of investment has made Queensland universities the envy of others nationwide.

The Allen Consulting report will not be made public until the findings are handed to the Queensland government.

But University of Queensland chiefs told *The Australian Financial*



Prosperity lab: Queensland's Smart State initiative is yielding both economic and scientific rewards

Photo: PHIL CARRICK

Review that the payoffs were certainly handsome.

"For every dollar the state government invests in those institutes, return to the state economy is between 4.2 and 6.5 times that," deputy vice-chancellor of research Max Lu said.

The University of Queensland is home to Gardasil cervical cancer

vaccine inventor Ian Frazer and a range of stellar research talent.

Professor Lu said the return on investment was so high because state government grants had been used to leverage many millions more dollars from other sources, including the federal government and philanthropists.

"The Smart State initiative has

built a critical mass of researchers and research institutes, not only at UQ but also in the Queensland health system and the other universities," he said.

Allen Consulting examined a series of other research outfits at the university, along with the molecular bioscience institute. But the university will not release the results

until they have been seen by state officials.

Smart State was launched by former Queensland premier Peter Beattie to help diversify the state's economy, which was largely reliant on primary industries. The third and latest phase of the plan runs until 2012 and involves \$120 million over four years.

Latter stages of the strategy have focused on building human capital following an earlier series of large-scale infrastructure projects.

Scientists have their fingers crossed that Mr Beattie's successor, Anna Bligh, will stay the course.

Peter Isdale, the chief executive of IMBcom, the commercialisation arm of the molecular bioscience institute, said the Allen evaluation made projections until 2029.

These showed that another round of investment would "propel us into an innovation economy that is self-sustaining and up there with the rest of the global jewels in innovation economies", he said.

The institute was established in 2000 and forms part of the Queensland Bioscience Precinct. It houses about 400 research staff and students, and its findings are used to develop pharmaceuticals, cell therapies and health diagnostics.