

QUESTION TIME

Australians are acknowledged internationally as great innovators but not great business commercialisers. Our inventions are, more often than not, commercialised overseas with great success. What can our federal government do to change this?

Glenn Tong, chief executive, Molecular Plant Breeding CRC

Only 7 per cent of small Australian firms successfully brought new innovations to market in the two years between 2002 and 2004, against nearly 20 per cent of small New Zealand firms, the Organisation for Economic Co-operation and Development says. We crafted a plan to change this, covering Ideas: An Innovation Agenda for the 21st Century. We're investing \$6.1 million over four years in a new Commonwealth Commercialisation Institute providing ideas and technologies to market providing access to business mentors; through specialist commercialisation services and funding proof-of-concept and early-stage commercialisation activities. The government has increased the research and development expenditure threshold for the R&D tax offset from \$1 million to \$2 million for 2009-10. From 2010-11, we will introduce a new R&D tax credit which will be worth about \$1.4 billion a year to business.

Carr, Minister for Innovation, Industry, Science and Research

Funding for early-stage development, tax credits for R&D, and assistance from mentors are all good moves. Government should also encourage existing businesses to offer their networks as paths to market, existing distribution channels can be explored. Meeting customers' needs is a prerequisite for success, so customers need to be included from the beginning. Businesses can provide channels to market that are already in place and functioning.

Townsend Gilmore, chief executive, Australian Institute for Commercialisation

Questions for government and agencies can be sent to questiontime@brw.com.au.



EXECUTIVE PAY

GENDER IS THE PLIGHT

Despite some improvement, the remuneration paid to women managers still compares unfavourably with that paid to men. **Report: Leo D'Angelo Fisher**

● Women managers are bridging the pay gap that separates them from their male peers, but the Australian Institute of Management's annual analysis of gender-based executive remuneration shows that progress is slow.

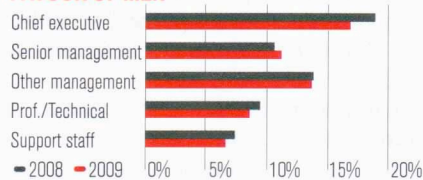
The AIM Gender Pay Differentials report, based on remuneration data from 760 Australian organisations, shows that women chief executives earn 16.4 per cent less than men in the same role. This is an improvement on last year when the gap was 18.4 per cent.

Women general managers earn 12.5 per cent less than male counterparts undertaking the same role, an improvement of 0.8 per cent on last year.

But the pay differential for senior management roles grew from 10.1 per cent in 2008 to 10.7 per cent this year. The gap for "other" management roles was virtually unchanged at 13.2 per cent.

When comparing job families, the clear winners are those in the information technology sector, which has the lowest pay differential. Full-time women employees (all job levels) in IT earn 4.9 per cent less than men in the same role. In human resources, a sector

EXECUTIVE GENDER-PAY GAP IN FAVOUR OF MEN



Source: Australian Institute of Management

generally considered more equitable for women, the pay differential in favour of men is 7.4 per cent, although this is an improvement of 2 per cent on last year's gap.

Federal sex discrimination commissioner Elizabeth Broderick describes the report as "encouraging" because it shows "some progress" on bridging the pay gap between men and women, but "we must not lose sight of the fact that it still exists in most industries and is one of the factors contributing to women's inequality across their lifetime".

Simon Boulton, a director of Sydney finance and accounting recruitment firm Aequalis Consulting, does not dispute the survey findings, but says such surveys can be misleading as they imply that when choosing between a male and female candidate of equal experience and qualifications the woman will automatically command a lower salary.

"The disparity in salaries based on gender identified by this survey is not reflected in the work that I do [as a recruitment consultant]," he says.

"In the 15 years that I've been doing this I've never seen evidence of an organisation making a choice on the basis that a female candidate will cost less.

"Quite apart from the reputational risk they would be taking, an organisation will always want the best person for the job. Whoever fits the criteria for the role is the person they'll hire."

Boulton says there are many reasons for gender-based pay gaps that are not reflected by such surveys, but adds that he does not believe overt discrimination is one of them.

He notes, for example, that executives who stay with an employer may find that their salary does not keep up with the salaries of peers who change employers for higher remuneration.

"That's when employees find their salaries being left behind and salary disparities occur, but that's happening irrespective of gender." **BRW.**



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Simon Boulton, Aequalis Consulting