

## **TRANSCRIPT OF PODCAST**

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A BLUEPRINT FOR INNOVATION SUCCESS WITH MICHAEL SCHWAGER

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DAVID PEMBROKE:

Hello, everyone, and welcome to Work With Purpose, a podcast about the Australian Public Service and how it serves the Australian people. My name is David Pembroke. Thanks for joining me. As we begin today, I'd like to acknowledge the traditional custodians of the land from which we are podcasting today, the Ngunnawal and Ngambri peoples, and pay my respects to their elders past, present, and emerging. And acknowledge the ongoing contribution they make to the life of our city and this region. I'd also like to acknowledge the custodians of all the lands on which anybody is listening to this podcast and also to all First Nations people who may have tuned in.

So, with the latest federal budget now behind us, the Made in Australia and many other industrial policies explained and funded, the focus now shifts to realising meaningful gains in productivity. Vibrant, private and public sector innovation ecosystems where new ideas are encouraged and protected is a key responsibility of Australia's intellectual property agency IP Australia.

IP Australia is a lighthouse for innovation and digital transformation, and it works with many stakeholders across both the private and public sector and runs a world leading IP system that really builds prosperity in Australia. Now there are four types of IP rights, trademarks, patents, design rights, and plant breeder's rights, and we'll dive into those in a little bit more detail further into the podcast. But at the heart of each of these is innovation and a mindset that drives new ideas and a new way of doing things.

Well, today I'm joined by IP Australia's, director general, Michael Schwager, and I want to discuss with him about innovation and how he works with his team at IP Australia to drive new thinking. According to the last year's APS census, 57% of IP Australia's staff rated the agency's culture as positive for, quote, supporting failure as a part of innovation, which was a whopping 18% higher than the average for the rest of the APS.

Now, I do declare an interest, because I've known and admired Michael Schwager for almost 10 years. In his previous role as Chief Operating Officer at the Department of Industry Innovation and Science, I took an innovation to him and his communications director, Virginia Cook. Now, I was proposing a new process for the design, creation, distribution, and evaluation of content in the public sector, and I needed a place to trial it, so I went in and saw Schwaggs. We had a conversation, ultimately a presentation to the executive team. A few robust discussions I've got to say, but then a trial was launched, research funding was awarded, and a world-leading evidence-based tool was born. In December of 2023, Michael Schwager was ranked in the top 50 global influences in

intellectual property, and he joins me in the studio. Michael, welcome to Work with Purpose.

MICHAEL SCHWAGER: Thanks very much, David. It's fantastic to be here. Looking forward to the chat.

DAVID PEMBROKE: Now, Schwaggs, before we get going, your voice has a unique quality to it, so as people understand it and listen to it a little, you've got a sort of slight-

MICHAEL SCHWAGER: It's almost like permanently croaky. I've got muscular dysphonia. It's a condition where my vocal cords are just permanently tight and tighter than they should be. There's not much I can do about it, it's just something I have to live with. I've had it for about 20 years, but if I need to, I can talk up an octave a bit softer, but it's not my natural voice. So, I'll do what I can, just sing out if you can't hear me.

DAVID PEMBROKE: Okay, I'll make sure I do. And that yes, there's nothing wrong with Schwaggs. If someone thinks he needs a glass of water or something else, this is the way that he talks and communicates and communicates very effectively, I must say. But anyway, let's get back to that day when I turned up to your office because... Do you remember that when I turned up?

MICHAEL SCHWAGER: I do.

DAVID PEMBROKE: Because I remember you were a very quick study in that you sort of immediately understood the benefits, understood the risks, and then you were very quickly trying to make the calculus before it was a go or no go, but it was a fast decision. So just in terms of innovation and making decisions, how important is it that people be quick when thinking about the evaluation of innovation and new ideas?

MICHAEL SCHWAGER: I actually suspect it's reasonably important and I think the way you can... Because by moving quickly, you stop second-guessing yourself. You have to get in and give things a go. You have to be prepared to try things. If you over plan it, you won't actually make a move, because you'll be constantly looking to manage more risks. So, I think it's really critical to assess the risks, but you can assess the risks quickly if you've got a good handle on what risks you're prepared to live with, where you're hungry to achieve more. And we'll come back to that, I think, because we describe in our risk framework being hungry for certain things and to have a hungry appetite to take on risk so that we can achieve more in those areas where we're able to.

But we're risk averse in areas where we know it's a no-go. So obviously we want to maintain trust in the public sector. We want to ensure that

we adhere to legislation, we protect our reputation. We look after our customers and our staff, so their areas that you don't put at risk. But where we can see that there are clearly more upside than downside, then you can usually leap into that with a pilot with some experimentation and make some quick decisions. And with quick decisions comes momentum and learning and the ability to iterate and hopefully achieve success.

DAVID PEMBROKE:

So with that, what advice do you then give to people working in the public sector about gaining those skills to make those balances and make those judgments such that they are able to make good decisions and they can be hungry and they can be effective around new ideas?

MICHAEL SCHWAGER:

I think there's a couple of things that have to be established in the place that you're working. I think we need a culture where we celebrate success big and small. So, celebrating success, big and small shows people that you're encouraging, you're valuing and you're rewarding risk-taking, and that implicitly helps people to be more curious and innovative. I think it's really critical that leadership establishes early what the risk parameters are. Looking at the purpose of your agency, your organisation, and looking at what the strategic risks are so that you can spell out to people throughout the organisation where the boundaries are on risk. And so that people simultaneously understand they can do some things and they can fail and that will be okay, but there are some areas where there is a very low appetite, and you can't stuff up. So, establishing that and communicating it through the organisation from the top, very important. But having a constant messaging about encouraging people with capability to do more on risk-taking and innovation and cultivating ideas and being prepared to fail, it's a simultaneous approach from skilling people up, but providing direction from the top down.

DAVID PEMBROKE:

What do you see then as the barriers to establishing these types of hungry cultures for innovation inside the public sector? What's holding people back?

MICHAEL SCHWAGER:

Usually, it's just a tendency to be uncertain about what leadership are prepared to live with. And I think that's why we've made such an effort to articulate two types of things. We've got the risk framework in IP Australia that looks at seven areas of risk that impact on our ability to do work. There are some areas in that risk where we are, we can't break the law, we don't want to embarrass the government, we don't want to put our staff at risk. But there are those hungry areas where we say, "Hey, we really need the best minds working in our agency. We're hungry for recruitment. Go out there and look at really novel ways to make sure that we can bring people in." And that's been really successful over the last 12 months, because people know we're prepared to try new things in

recruitment and get out there and achieve things. But at the same time, we've been keen to compliment the risk side.

People hear risk and they default to risk aversion. They default to minimising risk just by talking about risk. So we've put in place simultaneously an innovation framework that is governed by our executive board in the same way that our strategic risks are governed. So, they're complementary, they're two sides of the same coin. And by having an innovation framework, we articulate to staff that at IP Australia we want a portfolio of innovation from the iterative innovation that you can do every day to the really big pieces of work that are forward leaning out there and more strategic. We want stuff from the bottom up and we want stuff directed from the top down. So across those two axes, you get a suite of innovation and you want to have balanced portfolio just like you want a balanced portfolio of risk in your share portfolio. And articulating that and saying that we have three ways of achieving innovation.

We'll have a strategic overview from the top. We'll take typical project by project innovation where ideas bubble up for funding and you go ahead and fund them as projects across the agency. But then there's emphasis on the skills at the individual level to make sure that people are conscious that to achieve what we expect people to achieve at IP Australia, you have to be managing your own thinking around risk appetite and how you can lean into those guard rails where the board of IP Australia has said, "These are the guard rails for recruitment. These are the guard rails for customer experience. These are the guard rails for IT projects." And then people operate and are empowered within those guard rails.

DAVID PEMBROKE:

I've looked at both the risk framework at IP Australia and the innovation framework, and while some of it is peculiar to IP Australia, there does seem to be sort of a general applicability around those decision-making frameworks that are in place. Would you agree that this can be more generally applied across the service?

MICHAEL SCHWAGER:

Yeah, absolutely. Absolutely. I think all agencies will have some sort of strategic risk framework that's very sensible and that's almost a requirement under our legislation, but it's very simple to put in place an innovation framework that then we can govern and govern in the same way that we govern risks. And it's important, because that's how you embed it. I think we've all experienced at various points in our career areas where someone has done something really innovative or there's been some fantastic innovation that has been sponsored by a particular person. And that's fantastic, but when that person moves on, the innovation dies off. It's not embedded, it hasn't achieved a cultural change.

So, you have to have both the innovation champions who are pushing for it at a personal leadership level, but at the same time, you don't want it to become just dependent on personalities. You have to be able to embed it into the organization's governance. And that's why it's so important to have something like an innovation framework that is looking at that whole portfolio of innovation across an agency, matching it to your capability development and your people matching it with appropriate funding that is across the portfolio of innovation, and then making sure it's a regular agenda item on your executive boards so that you can pursue innovation in a very considered way. It's not left up to individuals.

DAVID PEMBROKE:

That was the question or is the question I'm interested in around accountability. How do you embed accountability at all levels such that everyone is delivering on the promised actions that they've agreed to take?

MICHAEL SCHWAGER:

A good example of that. We are currently going through and looking at our next phase of our people plan at IP Australia. And our people plan is critical. Our agency's all about having examiners who can help look at different applications as they come through. It's a very skilled workforce, and we need to have a really smart people strategy, not just for our examiners, but for the whole agency.

When a strategy is coming to the board, if we apply an innovation lens to it, it's not just about that strategy saying, "We will encourage innovation capability in our people," it's a question for the board to say, "Okay, and what appetite do we have to do innovative things in people development that we can embed in the strategy?" So, the lens of innovation is applied at the individual level, but it's also applied at the strategic level and at the whole of agency level. And when you're doing that and when you're saying to, in this case, our excellent HR professionals, "Okay, you've got innovation in there, you're making sure our people are innovative, but what are we doing within the strategy that it is an innovative, hungry for risk approach to developing people?" And then they start to go, "Oh, I'm empowered to go and do some crazy stuff that I never thought I'd be able to do," and off they go and do it.

That adds to embedding the culture of the agency, because people see it's not about ticking a box in terms of people skills and it's not about allocating money to particular projects that are tagged innovative. It's about making sure that everyone is putting it into their daily work and that's how it's embedded.

DAVID PEMBROKE:

So you mentioned that hungry mindset and you also in an earlier answer spoke about recruitment. So are there examples where that hungry

mindset, that commitment to innovation has led the recruitment team to think a bit differently about the types of people that IP Australia needs to bring into the organisation to sustain the IP system?

MICHAEL SCHWAGER:

Absolutely. When we lifted the shackles of recruitment and said, "Okay, start to think really creatively about how we go out nationally, how we go out to really bring in the engineering and science skills that we need," the result in terms of how we advertise, how we do the case studies, how we do the videos of how to work in IP Australia and what that work is about, that has resulted in a huge increase in applicants each time we go out for patent examination. And whereas a couple of years ago we were worried about the supply of appropriate skills coming into examination. Now you've got basically a 7% chance of getting through our...

DAVID PEMBROKE:

Oh, wow.

MICHAEL SCHWAGER:

We only can take a certain number of examiners each year and the application numbers have gone through the roof and they're high-quality applications. They're not dodgy stuff that you might get through Seek. So, we're really happy with the way that hungry appetite, as we articulated it, for recruitment to manage this risk has delivered for us.

DAVID PEMBROKE:

Well, it's obviously unlocked good ideas and it's also, as you mentioned earlier, this commitment to consistency and communication. So not only is the story being well-defined and broadly defined, it's obviously finding the mark.

MICHAEL SCHWAGER:

Absolutely. And the other key thing that we're really proud of is we've said from the very beginning, "We're hungry to provide our customers with a fantastic experience." And so that's another area where we've said, "Again, we have to deliver legislation. We have to be very careful about our granting of patents. They have to be high quality, same with trademarks, has to be high quality." So, we have a very low risk appetite on that sort of stuff. But in terms of making sure the customer experience is excellent, we've really focused on how to do that and encourage staff to be less worried about what they might say and how it might be perceived, but to at least engage and start the communication with customers. And you can imagine traditionally some of our patent examiners have not been that enthusiastic about picking up the phone and having a dialogue with customers. And increasingly they're comfortable to do so because we know not only is it expected, it's actually going to help deliver a better product for the customer. And that's been very successful.

DAVID PEMBROKE:

So, what about failure and failure as it relates to the development and implementation of innovation? How do you think about things going wrong?

MICHAEL SCHWAGER:

So firstly, we're not afraid of failure and we articulate that very, very clearly that we want people in those areas where we're hungry to achieve things. We say, "Go and give it a go. Failure will be okay." Failure is important, because it's where we do our best learning. It's where we pause and think, "Okay, that didn't go the way we expected. What have we learned from that experience? How can we apply a different approach?" And if you look at the history of failure, sure enough, the next step after failure is often innovation. And so we're very keen to make sure that people know there are lots of areas in our agency where if you consider the risks and can show you've considered the risks and you're not going to be punished if something goes wrong. We've created a ventures unit at IP Australia modelled very much on a private sector approach to product development.

And the purpose of that is to look at areas where we might do something that we're not doing something already and think about clever and creative ways to do it. One of the first things they have to do is come up with ideas where everyone says, "Well, that can't happen because of X, Y, and Z." And you try to burn down the risks around X, Y, and Z to show that actually you can manage these things if you understand the risk appetite of the agency. And we've been doing some interesting work there. We had a look, for example, at IP for social good. That's not something that the IP system is currently focused on. It's something that we are absolutely technology neutral in the IP system, but we did have a look at where social good might be something that is asked of us in the future.

So, in part this is looking at what are the expectations that might be coming down the track, and if so, how do we deal with it? The interesting thing is that we didn't progress with that. We decided some of these things are too hard and too complex in this particular space. But one thing we learned was just how isolated social entrepreneurs are from the IP system, and they're a really important part of our economy. If you want social entrepreneurs, socially motivated entrepreneurs to succeed, we need them to at least consider how the IP system can help them. And they were just missing from the people that we normally interact with.

So it's already just that simple experiment has given us insight into an area that was basically a blind spot for us, and now we can recalibrate some of our communication efforts to make sure we're reaching social entrepreneurs. And that's a good example where you give something a go because it's experimental. You don't need to have a whopping great



successful project out of it or a sudden change in your positioning, but you might learn some really critical things that are important to the positioning and purpose that you have right now. And that's a good example of that.

DAVID PEMBROKE:

So just in terms of those stop-go moments where you're introducing something, an experiment of some sort, it works or it doesn't work, how do you make those decisions about, okay, well actually let's just keep going, because there could be something just over the horizon here that's working for us, or no, this has got nothing going for it. Let's stop and cut our losses?

MICHAEL SCHWAGER:

In that particular case, we started with a limited time commitment. And so that's what we've tended to do quite experimental stuff. So, the IP for Social Good experiment. We had a 12-week limited run at it where it's pretty intensive work for the team looking at bringing in lots of desktop research interviewing lots of people in the space, thrashing out the ideas, burning down the risk. And that is governed by a small venture board where they report to us on a regular basis on how that's progressing so that we can keep it tight, and we can keep it relevant to that limited mission. And then as has happened in this case, we said, "Okay, there's three slightly wacky ideas that have come out of this. We're not ready to progress those yet. It's a bit of a stretch, let's park those." But it's the learning way like that outreach to social entrepreneurs that has been clearly beneficial.

DAVID PEMBROKE:

So, in the accountability system that we have inside the Australian Democracy and Parliament, Senate estimates, this whole idea of having to answer for the decisions that are made and investments that are made with precious taxpayers dollars, how do you think about that in terms of failure? Because people live in fear of having to go up to estimates and having to explain things that have gone wrong. I've never met a public servant who really likes going up there and has to defend things that go wrong. So how do you think about that, when you know you're going to get asked questions about things that have gone astray? And indeed that may be politically embarrassing for the elected government of the day.

MICHAEL SCHWAGER:

Yeah. And this is where you have to have a good handle on what risk you're prepared to experiment with and what risk is a no-go area. So, for us, we've clearly defined the delivery of Australia's IP system. Its credibility, its quality is not to be trifled with. We don't risk that. We don't risk safety, but we look at ways that are within our mandate. We are the custodians of the IP system. The IP system is an underpinning part of our economy and our desire to see innovation and productivity growth. So, it's our job to steward that system and to make it as effective and efficient as possible. Just like any other public service, we have to be able

to justify whether what we are spending money on is value for money. And in weighing where we spend money on different things, we say, "Look, this time-limited experiment is worth the effort, because of what we might learn from it. It won't result in a disaster; it won't cripple the system. It might push us into new areas. It might allow us to deliver new things."

We've recently just moved from pilot to full production, a new tool we call TM Checker so that firms like yours, David, can easily go and check through this automated tool whether or not your proposed trademark might be successful. It's taken the best part of 18 months to work up the algorithms to a point where we are comfortable that they are pretty much as good as a human judgement when it comes to, and I have to emphasise, two of the key areas of whether a trademark can be approved or not. Of course, there are other complexities to the law where a human decision is still necessary, but for the big chunk of work about whether or not say a trademark is deceptively similar to another trademark, we've now come to the point where our tools are getting very close to automating that.

And so, at the moment, and again, this is about balancing the risk, we've said to the customer, this tool will give you a reasonable level of confidence that when this goes through to the system, to the person, it'll be approved. And so, you're much more likely to click, yes, I'll apply. I'll invest that money into that proposed trademark, because the tool has given you confidence that it'll be okay. Now it's not foolproof, but that-

DAVID PEMBROKE:

Useful.

MICHAEL SCHWAGER:

... tool is extremely useful to the customer. And at the same time, we were very careful not to risk trust in the system as it was developed.

DAVID PEMBROKE:

So just to get your views then as sort of captain innovation, looking at the public sector, how well are we going with innovation across the broader public sector?

MICHAEL SCHWAGER:

I think there's lots of fantastic examples across both the Commonwealth and at the state level of fantastic innovation. It's very hard to go past the New South Wales Department of-

DAVID PEMBROKE:

Services, customer service?

MICHAEL SCHWAGER:

... Customer Service and Service New South Wales. They are and have been leading this for a long time, so you don't have to scratch the surface very much there to see a lot of really great innovation coming through.

DAVID PEMBROKE:

No. And have done globally recognised leadership.

MICHAEL SCHWAGER:

Absolutely. I think continual improvement at the tax office and MyGov is making it much easier for citizens to interact with those services. And again, there's fantastic teams in those two agencies dedicated to really good strong innovative practices. And then there's pockets of other things like the behavioural economics team at PM&C. And as I mentioned, the sorts of things we're doing with TM Checker and other AI algorithms are really pushing the way we do innovation in the public sector.

The important thing, and it's something that I think everyone is doing, it's remarkable one of the things we did when we started out is we did a stock take of innovation in IP Australia, because a lot of people don't realise that what they're doing is innovative. They don't call it innovation, but if you do a stock take, and it was important to do this as part of our change in the culture at IP Australia was to get people to realise that innovation is something that can be done by one person in terms of improving a process that they run or interacting with customers in a different way. That can all be innovative. And it's not just the huge big IT projects like MyGov or the work that the tax office does. There's a whole spectrum of innovation across the board. Then once you've realise that and you've established what your whole suite of innovation is in your agency, you can systemically manage it better and govern it better, which makes it stick.

DAVID PEMBROKE:

What about the private sector? How does Australia stack up, in your view, given that you do spend a fair bit of time overseas in global forums. How do we stack up in terms of innovation in the private sector?

MICHAEL SCHWAGER:

I think the key thing that the government would like to see and has wanted to see for some time is an increase in the level of business expenditure on R&D. That's a well-known sticking point for those of us who have worked on industry innovation in the industry and innovation space over the last couple of decades. So that's an area that the government is constantly trying to look at and encourage. We certainly don't suffer in terms of our customer base at IP Australia. There's clearly a lot of tech transfer coming into the country. There's a lot of work happening through patents, but then taking it through to commercial product is the critical piece.

A great idea that stays on the shelf will always just be a great idea if it's not implemented and turned into a product that's used. That's where the real innovation kicks in. A plug then for IP Australia's annual IP report that has just been released, is that as part of our economic research program, it's increasingly obvious that the trend over the last couple of years has been to having public research commercialised by small to medium-sized enterprises through patents that have been picked up and then properly

exploited, commercialised, and marketed through big firms. And that has been not unexpected, but a bit of a shift in our research has determined that that supply chain has become more obvious over time.

DAVID PEMBROKE:

Now, productivity obviously is a key challenge. Where do you see innovation IP rights as it sits around this productivity challenge that the economy has at the moment? And it's not just in Australia. We have this stagnation in productivity really more generally across all Western economies.

MICHAEL SCHWAGER:

There's no doubt that the IP system does a lot of underpinning of the innovation across the economy. The patent systems there to encourage research and investment that otherwise wouldn't happen. We can demonstrate very clearly with our research program. We have demonstrated very clearly with our research program that small to medium-sized enterprises with a trademark are much more productive, they pay higher wages, they have greater export potential than similar firms without a trademark. And if you have trademarks designs and IP rights, it's even starker the difference between your peers and firms with those rights. So it plays a really important part. The challenge for the IP system looking forward is to maintain its relevance and its assistance to entrepreneurs as the economy changes. And the clear issue here is of course, artificial intelligence. We had to get there eventually.

DAVID PEMBROKE:

Ding, ding, ding.

MICHAEL SCHWAGER:

And we have been doing some research on this both through our ventures unit that I mentioned, one or the other that did that work on IP for social good. Very early on we got them to look and do some provocative work on how generative AI, in particular, will impact the IP system. They put out some fantastic provocations on our website that has had a great deal of interest here and internationally to look at, well, what might happen to patents, trademarks, copyright and designs as a result of AI. And that gives us clues as to what we might need to do in the future to adapt the IP system to what's coming.

There's a piece of policy work happening on that right now, not just here, but internationally. The US Patent Office has recently put out a paper calling for a discussion on whether or not AI can invent and if it can invent what is the standard to which we measure novelty. At the moment we measure novelty against human expertise. So, we would say, "Okay, you're claiming that this is a novel invention in the field of communications." We would say, "Well, Pemby's been in communication for far too many decades, and what would his general knowledge be? Does this look novel to him or does it look like, yeah, sure, whatever?"

But if you have AI created to invent, how do we measure what's novel anymore?

DAVID PEMBROKE: The answer is?

MICHAEL SCHWAGER: We don't know yet. We don't know yet, and we need to do the research to work out, because the whole of the IP system is really an economic equation to encourage people to invest in invention, but to then get the spillover effects, because they share that information with the rest of the community once it's published.

DAVID PEMBROKE: But how do you grab this tiger by the tail? Because today or tomorrow there's ChatGPT 5 comes out and it's going to have a whole new level of capability and it's moving so fast. How does the IP system keep up?

MICHAEL SCHWAGER: By trying to do this fore sighting work that we've been doing, by putting out those provocations, by not being afraid to ask the questions? To some extent we're-

DAVID PEMBROKE: But if you're doing that at the moment and you're trying to look into the future and you've got a certain set of assumptions that you've made, but then in three, four months down the track, those assumptions you find, well, actually we thought it was going to be this, this and this. It's now that, that and something else. But it is going to have to drive enormous agility into the system. And then how does the legal system keep up with it all?

MICHAEL SCHWAGER: It's a challenge, but I think if we waited to have all the answers on that [inaudible 00:38:06]-

DAVID PEMBROKE: Well, that's it. I get that.

MICHAEL SCHWAGER: So, in some respects, those risks are an exact example of why you just can't sit still and wait for certainty. You have to keep experimenting and trying to get ahead of it and adapting as we go. We have a regular approach to our legislation in terms of reviewing our legislation. It's still not quick. It's like every three years we might look at the Patent Act for example and look at to improve the Patent Act. That's coming up in 2027. So we're definitely looking at what we need to do in terms of our research base, these discussion papers, these big questions. We keep in touch with what happens internationally, and we try to track what's happening with businesses and what businesses are actually doing.

DAVID PEMBROKE: Is it exciting?

MICHAEL SCHWAGER: It's great. It's a fantastic area to work. It really is. It's clear in purpose. There's a clear sense of, I've come into the office and I've done work

today that has actually helped growth and jobs in Australia and innovation in Australia or tech transfer into Australia or investment into Australia. And making sure that that system is the best it can be is a constant source of motivation, not just for me, but for all 1200 people at IP Australia.

DAVID PEMBROKE: But it also to me seems that those frameworks that you have in place, both the risk framework and the innovation framework, they're the foundations, aren't they, that help you to make decisions, do your work, and do so in a way that is directed.

MICHAEL SCHWAGER: It helps us achieve the best we can for the purpose we've been given. The purpose we've been given is to make sure that Australia has a world leading IP system so that all Australians can benefit from great ideas. And with that as our clear purpose and mission, we can then operate within risk and innovation to achieve that to our best of our ability.

DAVID PEMBROKE: So, a final question, and it's to the audience of mainly people working in the public sector in Australia and some overseas. What's your advice, your closing advice after this conversation about innovation, about risk taking, around benefits, around accountability? What would you hope that people may be more encouraged to do?

MICHAEL SCHWAGER: I don't think you can underestimate how important it is to be able to articulate risk appetite to your staff and to encourage innovation with your staff in a way that empowers them to do it.

DAVID PEMBROKE: Communication.

MICHAEL SCHWAGER: Yeah, communicate to your staff over and over-

DAVID PEMBROKE: Again and again.

MICHAEL SCHWAGER: ... and with practical examples. It's that issue of when I first talked about how important risk was when I first joined IP Australia, many people just heard risk management or risk aversion or risk minimalization. And in fact, it's not. It's about managing risk appropriately and biting off lots of risk when it's appropriate to do so, and talking about that till the cows come home has being one of the key ways to influence the culture of the agency.

DAVID PEMBROKE: Well, Michael Schwager, thank you so much for giving up some of your very valuable and important time to share with the Work with Purpose audience, your views on innovation and IP rights, artificial intelligence. Thank you so much for coming to join with us today, and I look forward to many more conversations into the future as we continue to wrestle

with this massive, not only challenge, but it's a massive opportunity as well, isn't it?

MICHAEL SCHWAGER:

It is, absolutely. And thank you very much for having me. It's been great.

DAVID PEMBROKE:

No problem at all. And to you, the audience, thank you so much for joining us once again. We are well past the 100 episodes now. But what we do ask, and I know I do it regularly, but if you could give us a rating or review, five-star rating or review on Spotify, Apple, Stitcher, wherever you get your podcast from. What it does is help us to be found so that not only you can hear from the great minds of the Australian Public Service like Michael Schwager, but others can discover these conversations as well. You can follow the latest about Work with Purpose on the contentgroup, social media, and also at IPAA ACT on LinkedIn.

Work With Purpose is a collaboration between contentgroup and the Institute of Public Administration of Australia in the ACT and proudly supported since day one by the Australian Public Service Commission. So, a very big thanks to all of those organisations. We'll be back at the same time in a fortnight with the next episode of Work with Purpose. My name's David Pembroke and it's bye for now.

VOICE OVER:

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