

Tuesday, 22 January 2008 (08/004)

## **GOVERNMENT ANNOUNCES REVIEW OF NATIONAL INNOVATION SYSTEM**

The Minister for Innovation, Industry, Science and Research, Senator Kim Carr, today announced a wide ranging review of Australia's national innovation system to be conducted by an expert panel chaired by Dr Terry Cutler.

The establishment of the review recognises the vital role innovation plays in boosting productivity and international competitiveness, and re-iterates the Rudd Government's commitment to fostering innovation across the economy.

"Innovation is critical to Australia's national future. Our prosperity, our economic strength and our ability to compete in the global economy, all depend on valuing innovation, harnessing its potential and putting it to work for the benefit of all Australians," Senator Carr said.

"In today's economy, innovation policy is industry policy. This review represents a watershed opportunity for the development of ideas that will ensure Australia reaches its full potential as a dynamic, internationally competitive and prosperous nation.

"In particular, we need to find ways to increase innovation performance across the economy, to ensure that business has better access to new ideas and new technologies and to bridge the divide between industry and research."

Senator Carr said that central to the review would be to examine the bewildering array of government innovation and industry assistance programs.

"At last count there were 169 programs in Australia, across all levels of government, aimed at supporting innovation," Senator Carr said.

"The review will allow the Rudd Government to work with the States and Territories to streamline these programs, reducing fragmentation and improving effectiveness.

"In short, this review is about building a strong, robust and truly national innovation system to bolster Australia's innovation performance, boosting productivity and helping secure high-wage, high-skill jobs for the future."

Panel chair, Dr Terry Cutler, is a highly regarded expert on innovation and industry policy. He is currently a Director of CSIRO and Chair of the Advisory Board for the Centre for Excellence for Creative Industries.

The panel will include Professor Mary O'Kane, who will be charged with the specific task of reviewing the Cooperative Research Centres Program.

Other members of the review panel are:

- Dr Megan Clark (Vice President Technology, BHP Billiton);
- Professor Glyn Davis (Vice Chancellor, University of Melbourne);

- Professor Steve Dowrick (School of Economics, Australian National University);
- Dr Nicholas Gruen (CEO, Lateral Economics);
- Ms Narelle Kennedy (Chief Executive, Australian Business Foundation);
- Ms Catherine Livingstone (former Chair of CSIRO and Director, Macquarie Bank and Telstra); and
- Dr Jim Peacock (ex-officio, the Commonwealth Chief Scientist).

Senator Carr said he was delighted to appoint Dr Cutler to lead such a distinguished panel and looked forward to receiving a Green Paper by the end of July 2008, to be followed by a White Paper response from Government.

For more information on the review, visit [www.innovation.gov.au/innovationreview](http://www.innovation.gov.au/innovationreview)

**Media Contact: Patrick Pantano, Minister's Office, 0417 142 238**

### **TERMS OF REFERENCE: NATIONAL INNOVATION SYSTEM REVIEW**

The Government is committed to building a strong national innovation system, in recognition of the vital role innovation plays in productivity and economic growth, and in meeting the challenges Australia faces.

In this context, the Government has appointed an expert panel to review the national innovation system and the coherence and effectiveness of existing Government support for innovation.

The Panel will identify gaps and weaknesses in the innovation system and develop proposals to address them. In particular, it will:

- Identify a set of principles to underpin the role and participation of the public sector in innovation.
- Develop a set of national innovation priorities to complement the national research priorities, ensuring the objectives of research programs and other innovation initiatives are complementary.
- Identify regulatory and other barriers to innovation and recommend ways to minimise these.
- Examine the scope for simplifying and reducing program duplication and ensuring that any support provided is well-targeted and easy to access.
- Consider the appropriateness, effectiveness and efficiency of the Research and Development (R&D) Tax Concession Scheme in promoting innovation and make recommendations to improve innovation outcomes.

- Consider ways to improve the governance of the national innovation system to support higher expectations of government agencies and industry.
- Assess the appropriateness, effectiveness and efficiency of the Cooperative Research Centres (CRC) Program and make recommendations to improve innovation outcomes.

In conducting the review the Panel is to have regard to relevant reports and studies, including the Productivity Commission's *Report on Public Support for Science and Innovation*. The Panel is to consult nationally and provide a 'Green Paper' to the Government detailing policy options by 31 July 2008. The Green Paper will be released for public comment and used as the basis for the development of a Government 'White Paper'.

\*\*\*\*\*