

Innovation policy plea

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Business has called on federal and state leaders to make innovation a national priority by setting up a high-level agency to co-ordinate their efforts.

The Business Council of Australia will today unveil a report that argues Australia's future productivity and economic growth are threatened by fragmented innovation policies and calls on the Council of Australian Governments to take the lead.

Defining innovation as "the application of knowledge to create additional value and wealth", the BCA says COAG should set up an agency, Innovation Australia, to ensure state and federal government policies are aligned.

This agency would draw on advice from a committee of business leaders and other innovation stakeholders, aiming to establish closer connections between governments, businesses and the education and research sectors.

The BCA report, *New Pathways to Prosperity: A National Innovation Framework for Australia*, presents a damning critique of Australia's existing approach to innovation.

"Australia's national innovation system has major gaps at both the strategic and operational levels," it says.

"There is no strategic vision for Australia's role in the global innovation system... At the

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operational level, innovation agencies in Australia do not have the support or funding linkages to allow them to emulate the role of their counterparts in other countries."

The report, prepared with the Society for Knowledge Economics, says a co-ordinated approach is needed if Australia is to compete globally.

The priorities it outlines include strengthening links between universities and business; boosting investment in science, engineering and technology; creating an innovation culture through education and improving the regulatory, tax and IT conditions.

Microsoft Australia managing director Steve Vamos, who chairs the BCA's education, skills and innovation taskforce, said Australia's capacity to innovate would shape its ability to deal with an ageing workforce and the increasingly competitive global economy.

As state governments compose their own innovation policies and some employers call for new tax concessions for research and development, the BCA says Australia should draw up a long-term innovation plan, pitching forward to 2025, rather than ad hoc and disjointed approaches.

The report contradicts a recent draft finding of the Productivity Commission that there has been too much emphasis on requiring universities to commercialise their research, and argues instead that universities may need more support to do this effectively.

The report proposes a national database of research expertise to help businesses identify researchers in their field and encourage collaboration between universities and corporations.