

Senate Economics Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Industry, Tourism and Resources Portfolio
Additional Estimates 2004-2005, 16 February 2005

QUESTION No.41

(Written QON)

Senator Campbell asked:

Did Departmental officers put a proposal to the Minister in 2004 seeking \$56.7 million over a four-year period to support 10 industry wide innovation projects because they were concerned at the axing of the Innovation Access Program?

ANSWER

The Department does not disclose details of policy advice provided to the Minister but we are happy to provide the following background for your information.

Through Action Agendas many industries have become more aware of the benefits of innovation and how barriers to innovation can be overcome by cooperation between firms. Activities such as technology roadmaps, which have been funded by the Innovation Access Program, have been helpful in building cooperation on innovation. Several Action Agenda industries have wanted to extend cooperative innovation activity to include projects involving R&D and 'proof of concept' activities. Such activities were not eligible for funding under the Innovation Access Program or R&D Start.

As part of the policy development work which led to the establishment of the Industry Cooperative Innovation Program in 2004, the Department had discussions with a number of Action Agenda industries regarding cooperative innovation projects involving R&D and 'proof of concept' activities that generate significant spillover benefits.

These discussions revealed a strong interest by industry in collaborative research. Work was conducted on testing whether an economic case could be developed to support such activities.

The Industry Cooperative Innovation Program was announced in *Strength to Strength* (the Coalition's industry policy statement) and it was proposed that it receive funding of \$25 million over six years.

QUESTION No.42

(Written QON)

Senator Campbell asked:

Have industry associations expressed concerns to the Department at the axing of the Innovation Access Program? What consultation with industry bodies took place before the decision was made to axe the Innovation Access Program?

ANSWER

Some elements of the Innovation Access Program have remained within the program and some elements are part of the new Commercial Ready program.

Industry Associations were involved in the Commercial Ready consultations which included discussion of the aspects of the Innovation Access Program in line with the announcements made under *Backing Australia's Ability – Building Our Future through Science and Innovation*. Submissions were also invited in the design phase of the development of the Commercial Ready program.