30 April 2008

Our Reference: IE/148/2 Part 10

Review of the National Innovation System – submission
Secretariat to the Expert Panel
Review of the National Innovation System
Department of Innovation, Industry, Science and Research
GPO Box 9839
CANBERRA ACT 2601

Dear Sir/Madam

Flinders University submission to the review of the National Innovation System

Declaration of interests and affiliations: Flinders University is a university within the Australian higher education sector. It is a member institution within Universities Australia (UA) and the Innovative Research Universities Australia (IRUA) group. Flinders University's current Vice-Chancellor (Professor Michael Barber) was a senior officer in CSIRO 2002-2007.

Flinders University welcomes the opportunity to contribute to the Review of the National Innovation System – through this submission, through its input to the submission from the IRUA group sent on 18 April and through the ongoing consultation process as part of the Review.

Flinders University commends the IRUA submission to you. In particular, we draw attention to:

- the importance of Australia building a high quality system of diverse and differentiated universities, each with their own strengths and focus, rather than seeking to create one or two 'World Top 50' universities;

- the need for Australia to take a broad view of innovation, recognising that innovation occurs in many areas beyond science and engineering – it is certainly not confined to research and neither is it confined to research institutions such as universities;

- the nonetheless vital role of universities in the Australian innovation system, which to be effective must occur in partnership with many other players – and the value of having a spectrum of mechanisms available to facilitate the formation of these partnerships;

- the proposed framework which has an emphasis on different strategies for different industry sectors, but coordination within these sectors across jurisdictions;
the reality of Australia's small size in the global innovation system driving specialisation and focus – and the consequent need to link national areas of focus with those determined by the States, such as those identified in South Australia through the South Australian Strategic Plan and the associated focus on areas such as advanced manufacturing (to which Flinders University is actively contributing through initiatives such as the Medical Devices Partnering Program, which facilitates innovation in local companies through links with the University);

both the importance of workforce issues and the need for radically different strategies to build and maintain the relevant workforce;

the way in which a broad conceptualisation of work-integrated learning can help to address these goals while also maintaining universities as centres for critical thinking and social engagement;

the need for Australia's innovation strategy to take far more seriously the building of collaborations on a global scale, and to be more strategic about the countries upon which we focus, moving beyond the USA and Europe;

a more sustainable approach to international collaboration involving partnerships which include cooperation between researchers, student mobility, industry placements, transnational education programs and collaborative community engagement;

the desirability of a fresh look at full funding of research, while recognising that its implementation will require wide-spread changes in current practices.

The IRUA submission contains a number of novel perspectives, approaches and ideas, which we commend to your consideration. The crucial, overarching recommendation in the submission is the call for a new national framework for innovation in Australia.

Flinders University recognises that considerable work still remains to be done to turn such a framework into a practical (and politically saleable) set of policy options, let alone programs which lead to successful outcomes. We look forward to working with you towards this outcome.

In conclusion, we suggest that the following initial steps would move the Australian research and innovation system forward without great cost:

- **On internationalisation**—consider allowing universities to include international research students in their "funded load" or alternatively to follow the practice in many US states of allowing overseas PhD students to be treated as "local residents" for tuition purposes after a year's residence;

- **On collaboration with CSIRO and other PFRAs**—consider allowing PFRA researchers to be supported from ARC and NHMRC for direct research costs (e.g., postdoctoral fellow salaries, direct project costs) when they are identified as a collaborator on a university led and administered ARC or NHMRC grant;
- On full funding of research—consider incentives (such as those advanced on pages 16 and 17 of the IRUA submission) that both encourage industry to more fully fund university based research and simultaneously discourage universities from "under charging" for their research expertise. In this context, we would remark that our understanding is that one of the significant drivers in the UK towards the "economic costing of research" was a view that industry was not paying its "fair share".

We would be pleased to discuss these ideas further with you at any stage, and welcome the opportunity to participate fully in the next steps of the Review process.

Yours sincerely

[Signature]

Professor Chris Marlin
Acting Vice-Chancellor