

Dear Sir/Madam

I would like to provide comment relevant to the Productivity Commission's draft research report entitled 'Public Support for Science and Innovation' (2006). My comment on postgraduate research, which has recently been made to related inquiries at the University of Sydney, very clearly identifies key impediments to the effective functioning of Australia's innovation system, from my perspective. I suggest a way out of the problem through more open communication content development, related education and research approaches.

Your report does not deal with the fact that the three main ways research is funded provide differing incentives to researchers, which prevents the effective coordination of private sector, university and government research and development, in the national and individual interest.

The private sector research funder seeks eventual profit and all involved in the project are expensively bound by secrecy, the related patent requirements, and then face the vicissitudes of the market. The peer process for awarding government research funds ideally seeks open publication in peer reviewed journals, as often as possible. The government often also pays for research to implement the regulatory process more effectively, from the government perspective. This may centrally involve public education exercises, such as this one.

The public interest lies in all research funds being more effectively coordinated and managed openly, as demonstrated later. Following the perspectives of Weber and Galbraith, I provide strategies for doing so below and in the attached and related policy papers. Please also note that the perspective that I take on research below is consistent with the definition of research and development which you provide in your introduction on page 1.7 of your draft report.

My response is also consistent with Ken Henry's view, as Secretary of the Treasury, that 'the best response to structural pressures that will assume unknown forms is the encouragement of a high-quality, broad-based innovation system as part of a highly flexible economy, well functioning labour markets with high-quality labour endowments, and excellent and adaptive institutions'(p. 3.34). Unlike the Secretary, however, I believe that an industry development approach to research and community development would be a logical one, as long as it is also suitably open to community representation and continuing involvement. Opportunities related to this are discussed in the attached articles on communication, higher education, justice and environment development.

Thank you for the opportunity to make this submission.

Yours truly

Carol O'Donnell