



Australian Academy of Science

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SUBMISSION TO PRODUCTIVITY COMMISSION FOLLOWING RELEASE OF THE DRAFT REPORT ON PUBLIC SUPPORT FOR SCIENCE AND INNOVATION - NOVEMBER 2006

The Australian Academy of Science commends the Productivity Commission on a comprehensive Draft Report that emphasises the rationale for adequate public support for science and innovation in Australia. We salute the fact that, while attempting to quantify the economic returns on public investment in science in Australia, the Commissioners openly state that other issues, such as returns relating to social cohesion, health and the environment, should not be undervalued.

The Academy of Science strongly promotes science and innovation as critical in enhancing Australia's socioeconomic prosperity. We are pleased that the Commissioners have given unequivocal support for public funding for basic research. The Academy agrees that the trend to increase public spending on applied research should be monitored carefully, to ensure that support for basic and strategic research is not eroded or diverted.

It is not surprising that the Draft Report demonstrates that different methodologies offer widely different estimates of the rates of return on public investment in research. It is to be expected that there will be different rates of return in different sectors over different time-scales. The Academy would argue that the precise value of the return on investment is less important than the realisation, not explicitly stated in the Draft Report, that Australia has not reached its peak potential in benefiting from investment in science and innovation and that public support must be increased. The Final Report should be less restrained in this respect.

The Draft Report suggests that implementation of the Research Quality Framework (RQF) should be postponed, but this suggestion has been overtaken by the announcement of the RQF timetable in October this year by the Minister for Education, Science and Training. The Productivity Commission should examine closely the objectives and costs of the RQF, including opportunity costs in its implementation. In the context of the acknowledged increasing costs involved in undertaking internationally competitive research, the Productivity Commission has the opportunity to recommend a sharp increase in the untied funds for research infrastructure distributed to universities through the RQF mechanism, which is designed to recognise excellence in research.



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The rationale for public support for science and innovation is well articulated in the Draft Report, but the Academy wishes to point out an additional indirect benefit of strong Government support for science in Australia. Strong Government support encourages broad community confidence and interest in science and technology, gives the Government credibility on national issues involving science and technology and is a key element in encouraging the next generation of researchers to engage with science and innovation. We support the conclusions of the present Draft Report, but in addition hope that the Productivity Commission is able to link its Final Report to a greater long-term vision for the development of science and technology in Australia.

Secretary (Science Policy)