



**The Committee for Melbourne  
Submission to the Productivity Commission  
Science and Innovation Study**

**20 December 2006**

The purpose of the Committee for Melbourne's ('the Committee') submission is to notify the Commission of developments in the Committee's Higher Education Taskforce that relate to the Commission's Terms of Reference.

In May 2006, the Committee for Melbourne convened a Higher Education Taskforce ('the Taskforce') to examine ways in which the Melbourne community could ensure that the quality of the city's tertiary education sector remains among the highest in the world while fulfilling the needs of business, the community, and the universities themselves, which is seen as an essential component of the city's future prosperity.

The Taskforce is comprised of over thirty high-level members, representing a comprehensive selection of stakeholders and parties interested in Melbourne's higher education sector.

One of the Taskforce's goals is facilitate employer engagement with the tertiary sector to equip future graduates for successful careers in Australia's top public and private sector organisations, and ensure that the current 'skill shortage' does not become a long-term 'skill drought'.

An escalating shortage of skills in Australia will impact on our potential to retain our innovative and competitive place in the global economy.

Besides a large direct contribution to the economy, an active and robust higher education sector is a crucial component of the 'innovation economy', on which Australia's future prosperity depends.

As they progress through the work force, current and future graduates will become the primary drivers of the 'commercial innovation' that the Commission recognises in its draft report as "add[ing] value to the economy or society by generating or recognizing potentially beneficial knowledge and using such knowledge to improve products, services, processes or organizational forms."<sup>1</sup>

Since its formation, the Taskforce has identified several fundamental areas which it is currently in the process of investigating, in order to produce recommendations that will guarantee the maximum potential for innovation to occur.

These fundamental areas include:

- The importance of higher education as an attractor of 'creative capital'
- How inter-sector connectivity, clusters, and centres of excellence generate innovative environments
- How the integrated flow of basic, applied, clinical and commercial research can be achieved
- The extent of industry and commercial engagement with the higher education sector (including interaction on both formal and informal levels)
- The causes and symptoms of current skill shortages
- The influence of government funding and regulatory controls on the efficiency of the higher education sector

The Taskforce will produce a policy document early in 2007 that will discuss its findings, including the above issues.

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<sup>1</sup> Introduction, Page 1.7



The Committee for Melbourne welcomes the Productivity Commission's Science and Innovation Study. An innovative and creative society will play a crucial role in guaranteeing a prosperous and successful future for Melbourne and Australia.

Should you require further information on the Committee for Melbourne's Higher Education Taskforce prior to the release of the 2007 policy document, please contact Committee for Melbourne Executive Director, Ms Janine Kirk AM, on (03) 9650 8800.

Yours faithfully,

Michael Andrew  
Taskforce Co-Chairman

David Miles  
Taskforce Co-Chairman