



The Hon Greg Hunt MP

Minister for Industry, Innovation and Science

MS16-003258

Mr William Ferris AC
Chair
Innovation and Science Australia
C/- GPO Box 9839
CANBERRA ACT 2600

Statement of Expectations for Innovation and Science Australia

Dear Mr Ferris

Following the passage of the *Industry Research and Development Amendment (Innovation and Science Australia) Act 2016*, Innovation and Science Australia (ISA) was formally established on 20 October 2016.

I am therefore pleased to provide you with this Statement of Expectations of how ISA will support the Australian Government to transform Australia into a leading innovation nation, positioning us to seize the next wave of economic prosperity and create new job opportunities for our nation.

In writing this Statement of Expectations, I acknowledge the functions of ISA as set out in the *Industry Research and Development Amendment (Innovation and Science Australia) Act 2016*. In exercising its functions and meeting its legislated requirements, ISA will empower the Government to develop a stronger, more entrepreneurial Australian innovation ecosystem, one which nurtures globally competitive firms in all sectors of our economy.

I expect ISA to work swiftly towards this goal by providing strategic, whole-of-government advice on the Government's investment in innovation, science and research. In doing so, ISA will help to better coordinate this investment and play an important part in driving change across government.

An important early task of ISA will be to undertake a comprehensive audit of Australia's science, research and innovation system. This audit will examine how government investments and regulations align with priorities and determine where, and how, more benefit could be gained. ISA will provide its final advice to Government on this matter early in 2017 and following the initial audit, I expect ISA to deliver five year reviews of the adequacy, capacity and condition of Australia's innovation system to inform any revision of the strategic plan. I acknowledge the former Innovation Australia board for the significant contribution it made to this project.

I also expect ISA to help the Government set out a path for long term success in innovation, science and research by developing a 2030 strategic plan for innovation, science and research, for the Government's consideration. The Government has established science and research priorities, and it is expected ISA's audit and plan will help direct the Government's investments against these priorities. I expect to receive the strategic plan in late 2017, after finalisation of the audit.

ISA should also consider how it will best oversee the breadth of science, research and innovation programmes across government, including the suite of programmes that were the responsibility of the former Innovation Australia. I ask ISA to provide advice on how it might engage with relevant Ministers and how ISA might be best supported to fulfil any specific programme responsibilities, including what committees may need to be retained or established, and how these committees will function.

ISA will need to work across government and directly with the international, business and community sectors to improve the national innovation system's overall performance. Subject to written approval by me, the ISA Chair and/or members of ISA may undertake international travel where there is a genuine business case. A post travel report is to be provided to me on the outcomes of international engagements.

ISA will promote investment in science, research and innovation in Australia, including showcasing successful innovators, entrepreneurs and researchers, and working closely with the Australian Trade Commission to encourage overseas investment in Australia. I also ask that ISA work with the Advisory Board for the Centre for Defence Industry Capability to maximise the potential for spill over benefits from Defence programs, including naval shipbuilding, to the broader economy.

ISA is central to the ongoing implementation and success of the Government's innovation agenda. The Board's advice, particularly in relation to the audit and the 2030 strategic plan, will help frame future waves of the agenda. As such, I would welcome the Board's advice on the appropriate sequencing of its work program and how this could contribute to the future development of the Government's policy. Going forward the agenda will focus on encouraging private sector investment in innovation, supporting Big Science infrastructure, and business simplification and transformation, respectively.

To support the agenda, I ask that ISA collaborate with the Department of Industry, Innovation and Science on the form and function of a possible National Innovation Fund to fill the mid-level gap for commercialising technologies. In the first instance, I ask that ISA analyse and make recommendations on the nature and size of any such gap, identifying if any sector-specific gaps exist and whether a co-investment fund could succeed in attracting private-sector support. I also ask that ISA provide advice to the Department of Industry, Innovation and Science on the development of a National Science Statement.

ISA may publish its advice to Government, as well as any research it undertakes or commissions, and thereby encourage public discourse on these important matters. ISA will ensure the relevance and quality of this advice by being highly engaged with the innovation, industry and science community and the general public. I expect ISA to draw on considerable expertise in the community through strong and extensive links to business, science and research, and government. In undertaking its duties, I also expect ISA to complement the work of the Commonwealth Science Council.

The Government will work to ensure ISA continues to have appropriate membership and is supported by the Office of Innovation and Science Australia, led by its CEO, Dr Charles Day. The CEO reports to me through you, as Chair of ISA.

I look forward to receiving your Statement of Intent, outlining how ISA proposes to deliver on these priorities.

Yours sincerely

A handwritten signature in blue ink, appearing to read "Greg Hunt". The signature is fluid and cursive, with a prominent loop at the end.

Greg Hunt

21 December 2016