



MEDIA RELEASE

DR CRAIG EMERSON

Minister for Small Business, Independent Contractors and the Service Economy
Minister Assisting the Finance Minister on Deregulation

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Review of National Innovation System

The report of the National Innovation System review, released today, makes a number of recommendations aimed at improving the innovation capacity of small business and the service economy.

Venturous Australia: Building Strength in Innovation is a significant and valuable contribution to the national dialogue as we strive to build a better innovation system for Australia.

Recommendations relating to small business and the service economy include:

- expanding Enterprise Connect to the service economy and introducing a new Knowledge Connection Program in recognition of the role of services in innovation;
- replacing the R&D tax concession with a tax credit of up to 50% for firms with a turnover under \$50 million;
- improving the linkages between small business and the research community;
- the introduction of a Competitive Innovation Grants Program to assist firms with limited access to capital in the high-risk, proof of concept and development stages; and
- recognising the important role for government to facilitate innovation through its procurement practices.

The government is already working on improving procurement practices to ensure that small businesses are able to compete in tendering processes as well as a comprehensive reform program to cut administrative red tape.

I look forward to working with Senator Kim Carr and the Treasurer in developing the Government's White Paper response to be released by the end of the year.

Media Contact: Chris Ward 0418 424 654