Commissioner Geoghegan-Quinn

Keynote speech Universities Australia Higher Education Conference

'Strengthening EU-Australian cooperation in research and innovation: the role of universities'

Ladies and gentlemen,

I am delighted to be here today at the Universities Australia Higher Education Conference. Thank you for giving me the opportunity to talk to you about the opportunities for research cooperation between Australia and the European Union.

The long-standing relations between the European Union and Australia are thriving, with bilateral dialogues in several fields, ranging from trade to development cooperation, from education to science and innovation and from migration to political issues. And last autumn we decided to take our cooperation a step further by beginning work on a formal EU-Australia Framework Agreement.

Australia's remarkable per capita scientific output, among other reasons, makes it a natural partner for the EU. It is one of the reasons why you were the first country that we signed a science and technology cooperation agreement with, back in 1994.

Australia and the EU share the view that research and innovation serve as vital motors in developing our economies. There are real similarities between the Australian innovation agenda and the EU's Innovation Union initiative. And by building on our already good relationship in science, technology and innovation, we can create knowledge, products and services that will boost our trade and investment relationship.

International cooperation is a vital part of the EU's research and innovation policy. Excellent ideas, breakthroughs and innovations do not recognise borders. And it makes perfect sense to bring the world's best researchers together, where possible, in order to boost our competitiveness and to tackle the common challenges that we face such as sustainable mobility, climate change, energy and food security or our ageing population.

The range of opportunities available, both at national and at European level, is truly impressive. I would like to present some of the steps that we are taking to make Europe a more attractive place for research and innovation.

In October 2010 I launched Innovation Union, our new initiative that puts research and innovation at the heart of the EU action to boost growth and jobs.

Innovation Union aims to do three things. First, transform Europe's world class science base into a world-beating one. Second, make coherent use of public sector intervention to stimulate the private sector. Third, remove the remaining bottlenecks to the commercialisation of good ideas.

Innovation Union dedicates an entire chapter to boosting international cooperation, recognising that working better with our international partners means opening access to our R&D programmes, while ensuring comparable conditions abroad.

We are making excellent progress on the 34 different commitments contained in Innovation Union, tackling problem areas such as faster standard-setting in Europe, cheaper and easier patenting, more public procurement of innovative products and services and better access to venture capital.

Our Innovation Union objectives are fully supported by the world's largest public programme for research, the 7th Framework Programme for Research and Technological Development, better known as FP7. Many of you are already familiar with FP7, which funds intra-European and international cooperative research as well as the European Research Council and the Marie Skłodowska-Curie mobility programmes.

Due to the sustained efforts on both sides, Australia ranks among our most successful international partners in FP7, participating in 114 different projects. I am sure that FEAST - the jointly-funded Forum for European-Australian Science and Technology cooperation - based in Canberra – has contributed to this excellent record.

We are very grateful for the funding provided by the EU-Australia National Health and Medical Research Council (NHMRC) for Australian participants in health research projects, and we hope that this kind of support could be extended into other areas.

FP7's total budget is 55 billion Euro (69.3 billion Australian Dollars) and this summer we will have the last round of calls for proposals, worth some 10 billion Euro, or 12.6 billion Australian Dollars.

We have now had seven European Framework Programmes for research. But after extensive consultation with stakeholders both in Europe and internationally, it was clear that we needed a new approach that is in tune with Europe's current and future research needs, focused on tackling a range of challenges faced by society, and designed to deliver the research and innovation we need to boost growth and jobs.

But more pressingly, since FP7 was launched in 2007, the European Union economy has been faced with its most challenging period in decades as we try to restore confidence and fiscal sustainability.

Over the past year and a half, we have achieved progress, including a European strategy for growth – Europe 2020, a substantially reinforced Stability and Growth Pact, and the 'European Semester', through which we coordinate our fiscal and macro-economic policies and implement our agenda for growth on an annual basis. And most recently, the Union has drafted a new Treaty to create a European Stability Mechanism.

Europe is focusing huge efforts on fiscal consolidation, but we must ensure that this is smart fiscal consolidation, with the measures that will produce jobs, growth and competitiveness today and tomorrow. Cutting spending in areas such as education, R&D and innovation would be exactly the wrong thing to do.

Horizon 2020 is our response at the European level and should be seen as an economic policy measure as much as a research policy instrument. With a proposed budget of 80 billion Euro (or 100.8 billion Australian Dollars) Horizon 2020 complements the approach being taken in most of the EU's Member States to increase investment in research and innovation as the routes to future growth.

Impressively, all but four of the 27 EU Member States registered increased public and private R&D investment between 2007 and 2010. And there is a strong correlation between the economic rebound of certain European countries in 2010 and their average level of R&D investments over the period 2004-2009. The rule seems to be: the higher the average R&D intensity in the past, the quicker the economic recovery.

We aim to complement this national spending with investment at European level in the research that is best done at European level or internationally, where we can combine forces and achieve better value for money with economies of cost and scale. By doing so, we can avoid duplication and by pooling resources we get better added value for our spending.

We also need to work at a European level because the kind of societal challenges that I mentioned earlier are too big and too complex to be solved by one European country alone. Indeed, we need to cooperate globally, with partners such as Australia. That is why, as part of the public consultation last year to discuss ideas prior to formulating our Horizon 2020 proposal, we held a conference in Brussels to get the views of our international partners, including those from Australia.

So let me describe our proposals.

Horizon 2020 is structured around three distinct but mutually re-enforcing.

Under the First Pillar, we aim to raise the level of excellence in Europe's science base and to ensure a steady stream of world-class cutting-edge research to secure our long-term competitiveness.

This Pillar will support the best ideas, develop talent within Europe, provide world-class research infrastructures, and make Europe an attractive location for the world's best researchers. The proposed budget is 24.6 billion Euro or 31 billion Australian Dollars. As part of this, we propose to nearly double our investment in the hugely successful European Research Council, or ERC, which champions the best fundamental or blue-sky research, to more than 13 billion Euro, or 16.4 billion Australian Dollars. In just five years, the ERC has already secured a reputation for financing the best scientists, whatever their nationality, doing the best research.

The ERC has awarded 17 grants to Australian researchers. Just to give one example, Dr. Kirsty Lee Spalding has received an ERC starting grant of 1.5 million Euro (1.9 million Australian Dollars) to work at the Karolinska Institute in Stockholm on the issue of obesity, looking at how the growth of particular tissues in childhood can influence fat deposits in adults.

Horizon 2020's Second Pillar on 'Industrial Leadership' aims to make Europe a more attractive location to invest in research and innovation, by funding actions where businesses set the agenda.

This Pillar will provide major investment in Key Enabling Technologies – including enabling technologies such as nano, biotech, advanced manufacturing and advanced materials.

We want to maximise the growth potential of European companies by providing them with adequate levels of finance, and we will help innovative SMEs to grow into world-beating companies. The proposed budget is 17.9 billion Euro, or 22.5 billion Australian Dollars.

Under the Third Pillar on 'Societal Challenges', we reflect the priorities of the Europe 2020 strategy and address people's major concerns. An approach that focuses on defining challenges to be tackled means bringing together resources and knowledge across different fields, technologies and disciplines. The proposed budget is 31.7 billion Euro (39.9 billion Australian Dollars).

There isn't time today to describe all the components and features of Horizon 2020, but I would like to highlight just a few points.

Firstly, we have listened and responded to calls from stakeholders for a dramatic simplification of how we finance research and innovation at the European level.

Horizon 2020 means more research and less bureaucracy - we are slashing red-tape to make it easier to take part. Scientists and innovators will spend more time in the laboratory or workshop and less time filling in forms.

Horizon 2020 has a much simpler structure than previous Framework Programmes, based on the three pillars that I already mentioned. This will make it easier for participants to identify where funding opportunities exist.

Horizon 2020 will offer European and Australian scientists, researchers and innovators many opportunities to work together, to make the discoveries and breakthroughs that will improve our economies and our day to day lives. We are counting on you to be a part of this.

The Joint Research Centre provides the scientific basis for policy-making at the European level. And in pursuit of excellence, the JRC is, of course, open to international collaboration. The JRC is currently working with 14 partners in Australia, including the Commonwealth Scientific and Industrial Research Organisation (CSIRO), the Centre for Experimental Radiation Oncology, several universities, and the Australian Nuclear Science and Technology Organisation.

To further build upon our good cooperation, a more formal cooperation between the CSIRO and the JRC is under negotiation. I am pleased that my department and CSIRO have made significant progress on preparing a Letter of Intent, that we expect to be signed later this year, covering smart grids, water management, climate and crop forecasting, soils, spatial data infrastructures as well as futures and forecasting.

And the agreement signed last September by Prime Minister Gillard and European Commission President Barroso will spur a further deepening of our cooperation in the areas of nuclear safeguards, security and safety.

We want the best scientific minds working in Europe. The Marie Skłodowska-Curie Actions offer researchers various opportunities to move to and from Europe and they give important help in developing researchers' careers in Europe. Since 1995, Marie Skłodowska-Curie has trained more than 50,000 researchers, whatever their nationality and offering employment contracts with full social benefits and very competitive salaries. 79 Australian researchers have been funded through this programme.

We are very conscious in Europe that it makes little sense to invest significant sums of public money in science, research and innovation without taking a long hard look at the quality and efficiency of our education and research systems.

In September last year, the European Commission presented a new policy agenda on the modernisation of higher education in Europe. We proposed a number of suggestions - in broad terms - to national governments and to higher education institutions.

This overall strategy is designed to provide a focus for EU Member States and higher education institutions in their work to adapt higher education in Europe to the modern world. It focuses on the big challenges we face.

And the European Commission has also stressed the need for higher education institutions to respond to the growing internationalisation of the sector. On one hand, internationalisation means increased cross-border cooperation and mobility - increased openness to the outside world. But at the same time, internationalisation also implies greater competition, which brings with it an imperative to constantly improve.

Similarly, we are also very aware in the European Union of an urgent need to train and maintain a workforce with the necessary skills to thrive in the global marketplace. Our "Agenda for New Skills and Jobs" aims to ensure that people are equipped with the right skills for employment. EU Member States have agreed that, by 2020, 40% of people aged 30-34 should have a tertiary education degree, up from 32% in 2009.

Europe might not be the only region in the world that is facing the challenges of how to stimulate growth, maintain competitiveness and create jobs. But these issues, of course, are at the top of our agenda. So I would like to leave you with three key messages in this regard.

First, Europe is continuing to invest heavily in research and innovation even in times of austerity. Second, we are carrying out the necessary reforms to create an even more favourable climate for research and innovation in Europe. Third, Europe is serious in its ambition to compete for the best scientific talent worldwide.

Australia and the European Union are natural partners, and as we celebrate in 2012 a half-century of EU-Australia relations, we have proved time and again that distance is no obstacle to a commitment to work together to make life better for our peoples. That’s what it means to unite our scientific resources and talents. If we stay interconnected, if we are determined and imaginative, I know that we can fulfil our potential even more.

Thank you.

Ends.