

**National Interest Analysis [2017] ATNIA 17**

**with attachment on consultation**

**Agreement relating to Science, Research and Innovation Cooperation between the  
Government of Australia and the Government of New Zealand**

(Queenstown, 17 February 2017)

**[2017] ATNIF 18**

# NATIONAL INTEREST ANALYSIS: CATEGORY 1 TREATY

## SUMMARY PAGE

### Agreement relating to Science, Research and Innovation Cooperation between the Government of Australia and the Government of New Zealand

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#### Nature and timing of proposed treaty action

1. The proposed treaty action is to bring into force the *Agreement relating to Science, Research and Innovation Cooperation between the Government of Australia and the Government of New Zealand* (the proposed Agreement).
2. For the proposed Agreement to enter into force, the Parties must notify each other in writing of the completion of their domestic procedures (Article 14(1)). The proposed Agreement will enter into force on the first day following the date on which both Parties have notified each other of the completion of their domestic procedures (Article 14(1)).
3. It is proposed that Australia provide its notification to New Zealand as soon as practicable after the Joint Standing Committee on Treaties tables its report.

#### Overview and national interest summary

4. Australia has significant interests in the promotion of science, research and innovation cooperation. Consistent with the joint commitment by Australia and New Zealand to reinvigorate the Single Economic Market agenda, there is a clear national interest in bringing the proposed Agreement into force. It will set in place conditions to achieve a trans-Tasman innovation ecosystem allowing business, consumers and investors to conduct operations across the Tasman in a seamless regulatory environment.
5. The integration of the science and innovation agendas of both countries will help share cutting edge ideas and build economies based on innovative human capital. Shared science, research and innovation priorities, and joint resources and expertise can often help deliver better outcomes for those priorities. The proposed Agreement will encourage a further area of cooperation between Australia and New Zealand, in addition to existing economic cooperation under the 1983 *Australia – New Zealand Closer Economic Relations Trade Agreement*.
6. The proposed Agreement provides a framework for Australia and New Zealand to work together to develop a vital innovation hub in the region that will attract investors and business interest. Implementation of the framework and work programme will benefit Australia through knowledge generation, and joint initiatives in science and innovation. New Zealand performs well on per capita measures of scientific output, making it a

priority partner for Australia's regional and international science, research and innovation cooperation.

### **Reasons for Australia to take the proposed treaty action**

7. Ratification of the proposed Agreement will confirm Australia's commitment to progressing a trans-Tasman Innovation ecosystem that builds on the existing Single Economic Market agenda. Innovation is central to Australia's economic policy in delivering economic growth, productivity and job creation. This is clearly reflected in Australia's National Innovation and Science Agenda (NISA).
8. The proposed Agreement reaffirms the importance of fostering innovation and entrepreneurship to create the modern, dynamic economies needed to thrive in the 21<sup>st</sup> century. Both Australia and New Zealand are home to high-quality businesses, universities and research organisations that make significant contributions to their respective economies. There is scope to build closer collaboration between them including sharing lessons on best practice. An array of cooperative initiatives across all parts of science, research and innovation systems are possible under this proposed Agreement.
9. The proposed Agreement seeks to leverage and build on existing cooperation to build business-research collaboration, draw talent and investment to Australia, increase links to global value chains and facilitate an innovative, open marketplace for Australian business and researchers in the region. International collaboration and linking of innovation ecosystems to position Australia to meet challenges, opportunities and global trends such as Industry 4.0 are key components of NISA.
10. The development of a cooperation agreement to integrate Australia's and New Zealand's science and innovation agendas was agreed to at the Australia New Zealand Leaders Forum in February 2016.
11. The proposed Agreement will provide opportunities to collaborate with New Zealand on Australian priority areas of interest under the 'Innovative New Zealand' initiative. Australia and New Zealand are likeminded countries in both geographical proximity and socio-cultural values. The establishment of an innovation ecosystem will set the scene for more streamlined processes, greater regulatory harmonisation and the sharing of innovative ideas and goals.

### **Obligations**

#### *Cooperation*

12. The proposed Agreement obliges the Parties to strengthen and conduct their science, research and innovation relationship on the basis of a number of principles, including shared responsibilities and mutual benefits, mutually beneficial access to programmes and facilities and exchange of information, and cooperation in promoting science, research and innovation (Article 3(2)).

13. The proposed Agreement obliges the Parties to undertake and support mutually beneficial cooperative activities, and encourage participation in cooperative activities (Article 5(1)). The proposed Agreement obliges the Parties to endeavour to undertake and support areas of cooperative activity including, but not limited to, shared research infrastructure planning and access; in other regions or on mutually agreed international opportunities in science, research and innovation; exchanges; the development of business and institutional links; and promotion of a trans-Tasman Innovation ecosystem to attract talent and investment to both countries (Article 5(4)).
14. The proposed Agreement obliges the Parties to each designate an Executive Agent to oversee progress on cooperative activities and the work programme under the proposed Agreement (Article 4(1)). The Executive Agents will meet at least annually to discuss and review progress and to agree on a work programme of cooperative activities (Article 4(2)).

#### *Sharing of information*

15. The proposed Agreement requires that non-proprietary information arising from cooperative activities under the proposed Agreement be made available to the world's scientific community, unless otherwise jointly decided (Article 8). This sharing of information will be through customary channels, in accordance with the laws, regulations and procedures of each Party and its participating agency for the particular activity (Article 8).

#### *Intellectual property*

16. The proposed Agreement provides that the protection and ownership of intellectual property rights will be the responsibility of, and jointly decided by, the affected participants (Article 9).

#### *Personnel and equipment*

17. The proposed Agreement obliges the Parties to facilitate the entry to and exit from their territory of personnel, material and equipment of the other Party engaged on cooperative activities under the proposed Agreement (Article 11).

#### *Dispute resolution*

18. The proposed Agreement obliges the Parties to settle any disputes between them arising out of the interpretation or implementation of the proposed Agreement amicably through consultation or negotiation (Article 13).

### **Implementation**

19. Australia's obligations under the proposed Agreement can be implemented without new legislation or amendment to existing legislation.

## **Costs**

20. The proposed Agreement does not commit Australia to any financial outlays. Cooperative activities under the proposed Agreement will be subject to the availability of funds (Article 10(1)) and each Party will bear the costs of discharging their own responsibilities under particular projects or programmes, or jointly decide on bearing of costs in specific cases (Article 10).

## **Regulation Impact Statement**

21. The Office of Best Practice Regulation has been consulted and has advised that a Regulation Impact Statement is not required.

## **Future treaty action**

22. The proposed Agreement may be amended by mutual written agreement between the Parties (Article 14(1)). Any amendment to the proposed Agreement would be subject to Australia's domestic treaty-making requirements.

## **Withdrawal or denunciation**

23. The proposed Agreement provides that either Party may terminate the proposed Agreement at any time by providing the other Party with six months' written notice through diplomatic channels (Article 14(2)). Termination will take effect six months after the date of receipt of the notification (Article 14(2)). Cooperative Activities under this proposed Agreement that have not been completed at the date of receipt of the notification will be managed in a manner to be mutually determined by the Parties (Article 14(2)).

## **Contact details**

International Negotiation – Science and Innovation Section  
Science and Commercialisation Policy Division  
Department of Industry, Innovation and Science

## **ATTACHMENT ON CONSULTATION**

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## **CONSULTATION**

### **State and Territory Consultation**

1. The State and Territory Governments have been consulted on the proposed Agreement through the Commonwealth-State-Territory Standing Committee on Treaties.
2. In addition, the State and Territory Governments were consulted on the proposed Agreement through the Commonwealth, State and Territory Advisory Council on Innovation (CSTACI). At the CSTACI meeting in November 2016, the Department of Industry, Innovation and Science provided a progress update to the State and Territory Governments on the negotiation of the proposed Agreement and consulted on possible collaborative activities that could be included in the proposed work programme under the proposed Agreement. New Zealand participated in the CSTACI meeting as a Council member.