

From: John Findley
Sent: Sunday, 29 June 2014 7:10 PM
To:
Subject: Additional comment: Inquiry into the Business Innovation and Investment Programme

I have just had a weekend visiting various clients in Zibo City. In reference to a committee member inquiring about the advantage of a small business that employs few people and who has ongoing business interest in China; I have such a client presently.

The client has recently acquired a 15% share in an automotive manufacturer in China. The company manufactures over 100,000 units per year. I believe that to be as large as the build of motor vehicles in Australia. This client is well aware of the demise of automotive manufacturing in Australia, and whilst he would never dream of manufacturing in Australia, with its toxic industrial relations regime, he is presently investigating cooperation ventures with parts manufacturers from Melbourne. The general proposal is that these manufacturers would use their design skills to develop new and improved products in Australia, for manufacture in China.

This client has recently "proven" the business model and has been instrumental in the establishment of a joint venture arrangement with an Australian designer and builder of municipal vehicles. The venture pretty much saved the Australian company from extinction and now a \$20million order is about to be awarded.

This development of international linkages is one of the key objectives of the business skills program. The objective has been achieved through a small foothold business in Melbourne. There are ongoing opportunities for further development and cooperation.

I believe this is an example of the advantage that can and does flow to Australia from the business skills program. Of course, not every business "makes the big time" but it is received wisdom that picking winners is very difficult. For example, venture capitalists (not a big business in Australia) have many false starts and their profits come from that relatively rear winner.

My thesis, that we need to attract entrepreneurs in increasing numbers, is borne out by this present example.

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