

March 29, 2004.

To: *The Secretary*
House of Representatives Standing Committee of Science and Innovation.

From: *Peter Mellander.*

Dear Sir/Madam,

I have become aware of the editorial titled "Inquiry Looks at Missed Chances" by James Riley printed in The Australian Newspaper on 22 March 2005.

By way of the editorial I would like to make the following points.

I have owned a small business since 1985 which has specialised in design and manufacture of high precision components to large multinational companies. In mid 1994 due to the removal of import tariffs which rendered local manufacturers redundant, our company commenced to design and develop instrumentation, and own products, primarily for export.

In the 20 years I have been in business I have found that there is a standing joke within both industry and academia about the lack of interest and lack of support of successive Australian governments for vital projects which would produce a significant long-term income stream.

As an example, I have read interesting detailed documentation dating back to the very late 1800's regarding Sir Lawrence Hargraves developing the first radial aero engine he had fitted to a box kite he manufactured and flew from the cliffs just north of Wollongong NSW. Despite many ongoing attempts to motivate businesses and governments of the day he finally gave up and took his inventions overseas where he was warmly welcomed. The technology generated from this one project has been enormous over the past one hundred years. This is only one small but very significant example of a lost opportunity of Australian innovation.

Really nothing in the Australian mentality has changed even today, especially within government.

Today, businesses can easily see that lodging applications for assistance to the relevant government programs is time consuming and usually comes with failure. I am unaware of any company or business which has succeeded in acquiring government assistance over the past 20 years. Many companies and skilled people working in science, technology and innovation have been lost to other countries which have foresight and are willing to take small degree of risks for huge commercial gains sustainable over long periods of time.

In Australia principal universities and major faculties developing science and technology are surviving on shoestring budgets and often are contemplating a bleak future.

In February and March 2005 I approached Jon Mason (Business Development Manager ICT, DSRD) who then referred me to DSRD Parramatta with the intention of asking for assistance to develop my small business. I have included as attachment the result of two

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meetings which outlines that there will be no avenues for assistance. This is despite my company spending the past two years in R&D activities (self funded), now having multiple export ready products, and also providing support details to Australian university related projects in world leading research.

The results were to be expected; nothing more than lip service and the offer of basic mentoring, of which my business has little interest.

I believe that I have, in a very short period provided a good case for DSRD to act on, especially that I can show in detail how science, technology, research and innovation can interact with my small Australian business with export potential and a commercial outcome. This is despite the fact that I have shown long term collaboration with multiple Australian universities.

Considering that my case had been dismissed in only two short meetings, exactly what is required to present a successful case?

I will note that in the opening of the second meeting the DSRD representative dismissed the possibility of my company exporting as being too hard and too expensive. This is despite the fact that my company has exported a very high percentage of own products very successfully since 1995.

I have recently become aware from reliable sources that several Australian government funding programs set up and budgeted to assist small businesses has not been touched. Apparently no company has received assistance from this allocation whatsoever.

Correcting the current scenario would be extremely difficult and probably far too late. Significant changes to Federal Government policies relating to imports and exports would need to be addressed so as to renew the balance weighted against the disadvantaged Australian based manufacturers.

The Standing Committee should look at successful countries such as Sweden, Japan, China and the USA for solutions. The Swedish Government has many wonderful programs which assist and incubate small technology driven companies, some as small as one person, to get off the ground and get their products into the world marketplace. Consider the impact Sweden has had over the past 50 years in the machinery, vehicle and high technology areas of commerce and industry. Also be aware that Sweden has less than half the population of Australia and few natural resources as compared to Australia. What they do have that Australia does not have is quality leadership from all levels of government.

Possible solutions would be to restructure the existing DSRD structure and replace it with skilled business orientated and educated people sourced overseas which would be patriotic to Australians, and Australia. I do not believe that Australia has the leadership, nor the intestinal fortitude to succeed otherwise. Long term records attest to this fact.

Perhaps, rather than wasting further time and finances with yet another inquiry the money would be better spent on assisting a small business trying to get a product into the

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overseas marketplace. In order to solve all problems we must do the work, rather than

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just merely observe the problems. The inquiry in itself will not be a solution. I would prefer to bet my chances on winning Lotto before winning assistance from Australian government assistance programs.

Best wishes,

Peter Mellander.

Included below is the reply email from Jon Mason DSRD. My original email is on the very bottom.

Hi Peter,

Your business sounds very interesting and I wish you well but you're now in Miroslav's territory and I've a heap of other interesting (well not always) businesses to attend to.

I regret I think it is most unlikely we'd be able to fund your involvement in the project. The State Govt mainly leaves R&D and proof of concept testing a similar to the Feds. I'm sure Miroslav will guide you to AusIndustry if applicable.

Our funding via ATS is for cutting edge technology developed locally which has export potential (and even then you need to remember it's competitive), I'm sure yours is, but my memory of a conversation with Miroslav is that your technology was not the breakthrough stuff they like to fund.

Otherwise our support is minor ie \$2-3k worth at a time (for marketing collateral) should you be going overseas or little else until you're getting close to a Million \$ turnover.

So, good luck and I'm sorry I don't think there's much we can do. But our programs do change and odd opportunities crop up every now and then. So keep Miroslav up to date whatever.

Cheers and regards

Jon

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>>> "anssen" <info@anssenttechnologies.com.au> 17/03/2005 7:29:56 >>>

Hello Miroslav and John, (I am cc'ing you both)

Late today Anssen Technologies has established a new working relationship and agreements with one of the principal Australian professional astronomers at the (world) forefront of extra-solar planetary research. Extra-solar meaning planets orbiting other star systems, and is recent cutting edge research astronomy.

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Part of this agreement will tie Anssen directly with astronomers at the University of Southern Queensland and the Anglo Australian Observatory at Coonabarabran NSW. The plan is to completely automate the Anssen Technologies Test Observatory located in Sydney with US sourced electronic systems and CCD

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cameras to study and time transits of these extra solar planets as they pass in front of their host star. The telescope control will be by remote access and the recorded data relayed directly to the astronomer via the remote access.

For existing details please see: www.anssentechologies.com.au/testobservatory/allira.html

This decision has been made by the professional astronomers in part because of the unique mechanical and optical designs of the Allira telescope which Anssen manufactures. The development of this overall concept and process we believe that it will be in many ways a world first. The technology developed will be transferred to the 0.5 metre telescope currently under construction at our works for location in central Queensland.

The reasons for our involvement are:

- being involved in cutting edge professional research work
- advertising and kudos as a result in being involved is such work by elevating our company stature
- being able to contribute to hard data acquisition
- test new systems and processes.

I expect that my small business will foot the majority of the expenses for the telescope controllers and CCD cameras.

Would you have part funding available via sponsors etc? I understand that Miroslav is already looking at this but this new concept could add significant weight.

Would State and Regional NSW be interested in collaborating with the Queensland State Government and also possibly University of Southern Queensland and the Anglo Australian Observatory?

I am able to elaborate further when/if required.

best wishes,

Peter Mellander

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