

HOUSE OF REPRESENTATIVES

Standing Committee on Science and Innovation

Public Hearings, Monday 28 and Tuesday 29 October 2002, Sydney

Telecommunications giant **Ericsson** recently announced the closure of its regional R&D arm located in Australia (AsiaPacificLab), which will affect 450 staff in Melbourne and Sydney.

Ericsson will appear this Monday at a Sydney public hearing of the House of Representatives Science and Innovation Committee's inquiry into business commitment to research and development (R&D) spending in Australia.

"The closure of AsiaPacificLab was announced while this committee was holding public hearings in Melbourne," Committee Chair Gary Nairn MP said. "From the moment we heard the news of the closure we have been very keen to talk to Ericsson."

Ericsson is one of 11 witnesses scheduled to appear over two days of public hearings in Sydney on Monday 28 and Tuesday 29 October. The **Australian Nuclear Science and Technology Organisation** (ANSTO), **Pfizer** and the **Australian Venture Capital Association** will appear on Tuesday. The full program is below.

The inquiry is looking at the economic benefits for Australia of a greater private sector investment in R&D, the impediments to business investment in R&D, and the steps that need to be taken to better demonstrate to business the benefits of higher private sector investment in R&D.

Public hearings have already been held in Canberra and Melbourne, where the Committee has heard from a range of companies and institutions including: the Tax Institute of Australia, Australian Innovation Association, GlaxoSmithKline and the Australian Industry Group.

Ericsson's submission to the inquiry (submission 14 - available on the Committee's website) says the following areas need primary attention:

- significantly increased support for competency/skills development including greater flexibility in funding arrangements for higher education;
- increased support to universities for pure research;
- increased linkages between industry and universities in curriculum development and in handling IP development;
- persons retraining from industry sector to another to be eligible for taxation concessions;
- support for the facilitation of improved links between multinational companies and SMEs;
- development of a strong and focussed investment attraction strategy;
- liberalised regulatory environment which encourages the take-up of new services and which is technology neutral; and
- share remuneration issues.

The submission identifies a number of elements in the Australian 'environment' that are described as being real or potential disincentives, including:

- MNC 'bashing' in the face of a somewhat buoyant (and less ICT dependent) local economy;
- overestimating the industry's capacity to fund public research;
- failure in market engagement in upstream research;
- failure to embrace all commercialisation options;
- failure to focus/lack of critical mass at all levels, including the thinning ranks of MNCs themselves.

The full hearing program is:

SYDNEY PUBLIC HEARING PROGRAM

**House of Representatives Science and Innovation Committee
Inquiry into business commitment to research and development**

**WHERE: Large Conference Room B&C, Level 8, Commonwealth Parliamentary Offices,
70 Phillip Street, Sydney**

Monday 28 October 2002

9.00 - 10.00am	AMIRA International Ltd.
10.00 - 11.00am	S Hudson & Associates Pty Ltd
11.00 - 12 noon	Australian Business Foundation
1.30 - 2.30pm	Ericsson Australia
2.30 - 3.30pm	Intelligent Manufacturing Systems (IMS)
3.30 - 4.30pm	Cooperative Research Centres (CRC) Committee
4.30 - 5.30	Merck, Sharp & Dohme (Australia) Pty Ltd

Tuesday 29 October 2002

9.00 - 10.00am	Australian Nuclear Science and Technology Organisation (ANSTO)
10.00 - 11.00am	Pfizer Pty. Ltd.
11.00 - 12 noon	Queensland Manufacturing Leaders Group (MLG)
12 noon - 1pm	Australian Venture Capital Association Ltd.

**For media comment, please contact the Chair of the Science and Innovation Committee,
Gary Nairn MP, on (02) 6277 4939 or (02) 6297 3952**

For further information on the hearings, please contact Shelley McInnis, Inquiry Secretary on (02) 6277 2324 or via email at Shelley.McInnis.Reps@aph.gov.au
For further information on the inquiry, including copies of submissions, please visit the inquiry website at www.aph.gov.au/house/committee/scin/randd/index.htm

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