

## Introduction

### Conduct of the inquiry

- 1.1 On 9 July 2002 the Minister for Science (the Hon Peter McGauran MP) referred to this committee an inquiry into the commitment of Australian business to research and development (R&D). The inquiry's terms of reference are outlined earlier in this report.
- 1.2 The inquiry was advertised in major national newspapers and members of the public were invited to lodge submissions. Also, the committee wrote to key stakeholders inviting them to submit written material. In all, 82 submissions were received; they are listed in Appendix A. Additional material relevant to the inquiry, which was received as exhibits, is described in Appendix B.
- 1.3 Public hearings were held in Sydney, Melbourne and Canberra. Roundtable meetings with representatives of small and medium sized enterprises (SMEs) were held in Canberra, Adelaide, Brisbane and, by teleconference, in Melbourne. A further roundtable meeting, this time with representatives of large international companies, was held in Canberra. The dates and locations of the hearings and roundtable meetings, together with the names of witnesses, are listed in Appendix C.<sup>1</sup>

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1 Both the submissions and the transcript are available electronically through links on the committee's web page at: [www.aph.gov.au/house/committee/scin/randd/hearings.htm](http://www.aph.gov.au/house/committee/scin/randd/hearings.htm)

## Structure of the report

- 1.4 The report has three Parts. Part I deals with the first term of reference, namely, international comparisons of public and private expenditure on R&D. It has three Chapters. The first (Chapter 2) examines Australia's standing relative to other countries in the Organisation for Economic Cooperation and Development (OECD); the second (Chapter 3) sets out details of public sector expenditure on R&D in Australia, focusing in particular upon that by the Commonwealth government; and the third (Chapter 4) provides information about the level and nature of private sector investment in R&D.
- 1.5 Part II of the report examines the matters listed in the second part of the committee's terms of reference, namely, the needs of fast-growing companies and the R&D drivers in small and medium-sized businesses (Chapter 5), the considerations by which major international corporations site their R&D investment (Chapter 6), and the economic benefit for Australia of a greater private sector investment in R&D (Chapter 7).
- 1.6 Part III of the report addresses the final terms of reference, namely, the nature of the impediments to higher business investment in Australia (Chapter 8) and the steps that might be taken by the Commonwealth government in an effort to reduce some of these impediments. The latter are covered in two Chapters. Chapter 9 examines the *general* steps that might be taken by the Commonwealth government, and Chapter 10 examines the steps that could be taken in relation to *specific* R&D programs. All of the committee's recommendations are contained in these two Chapters.

## Principal findings

- 1.7 The principal findings reached by the committee in relation to each element of the terms of reference are set out in the Executive Summary on pages xix-xxiii and appear in the Conclusion at the end of Chapters 1-8.

## Appreciation

- 1.8 The committee wishes to thank all those who contributed to the inquiry, including the representatives of SMEs and large companies who participated in the roundtable meetings in Adelaide, Brisbane, Canberra and (by tele-conference) in Melbourne.